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FISCAL NOTE

66

REQUEST:

Revision Date: 1/31/90  
Title: Relating to the appropriation limit.  
Sponsor: Finance Committee  
Requestor: Finance Committee

Agency Affected: Office of the Governor  
BRU: Elections  
Components: II- Primary & General Elections

EXPENDITURES/REVENUES: (Thousand: of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	2.2*	-0-	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.2*	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2.2*	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	2.2*	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The fiscal impact for FY 90 is -0-.

\* Costs included cover 2 to 3 pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote counting purposes.

Prepared by: Linda Edgeworth  
Division: Division of Elections

Phone: 465-4611

Date: 1/31/90

Approved by Commissioner: [Signature]  
Agency: Division of Elections

Date: 1.31.90

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. HJR 66

However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2

Under these circumstances the fiscal note would be:

53.4

Original sponsor(s): Finance Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 66 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-  
6 tion of the State of Alaska relating to  
7 to the budget reserve fund; depositing  
8 into the budget reserve fund, except for  
9 money deposited into the permanent fund,  
10 all money received by the state after  
11 July 1, 1990, as a result of the ter-  
12 mination, through settlement or other-  
13 wise, of an administrative proceeding or  
14 of litigation in state or federal court  
15 involving mineral lease bonuses,  
16 rentals, royalties, royalty sale pro-  
17 ceeds, federal mineral revenue sharing  
18 payments or bonuses, or involving taxes  
19 imposed on mineral income, production,  
20 or property; allowing an appropriation  
21 from the fund only if the amount avail-  
22 able for appropriation for a fiscal year  
23 is less than the amount appropriated for  
24 the previous fiscal year or upon the  
25 affirmative vote of three-fourths of the  
26 members of the legislature in joint  
27 session; and providing for an effective  
28 date.

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

1 \* Section 1. Article IX, Constitution of the State of Alaska, is amend-  
2 ed by adding a new section to read:

3 SECTION 17. BUDGET RESERVE FUND. (a) There is established as a  
4 separate fund in the State treasury the budget reserve fund. Except  
5 for money deposited into the permanent fund under Section 15 of this  
6 article, all money received by the State after July 1, 1990, as a  
7 result of the termination, through settlement or otherwise, of an  
8 administrative proceeding or of litigation in a State or federal court  
9 involving mineral lease bonuses, rentals, royalties, royalty sale  
10 proceeds, federal mineral revenue sharing payments or bonuses, or  
11 involving taxes imposed on mineral income, production, or property,  
12 shall be deposited in the budget reserve fund. Money in the budget  
13 reserve fund shall be invested so as to yield competitive market rates  
14 to the fund. Income of the fund shall be retained in the fund. Sec-  
15 tion 7 of this article does not apply to deposits made to the fund  
16 under this subsection. Money may be appropriated from the fund only  
17 as authorized under (b) or (c) of this section.

18 (b) If the amount available for appropriation for a fiscal year  
19 is less than the amount appropriated for the previous fiscal year, an  
20 appropriation may be made from the budget reserve fund. However, the  
21 amount appropriated from the fund under this subsection may not exceed  
22 the amount necessary, when added to other funds available for appro-  
23 priation, to provide for total appropriations equal to the amount of  
24 appropriations made in a previous calendar year for the previous  
25 fiscal year.

26 (c) An appropriation from the budget reserve fund may be made  
27 for any public purpose upon affirmative vote of three-fourths of the  
28 members of the legislature in joint session.

29 (d) If an appropriation is made from the budget reserve fund,

1 until the amount appropriated is repaid, the amount of money in the  
2 general fund available for appropriation at the end of each succeeding  
3 fiscal year shall be deposited in the budget reserve fund. The legis-  
4 lature shall implement this subsection by law.

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

5/2/90

5/2/90  
Rep. Kay Brown

"BUDGET RESERVE ONLY"  
CS HJR 66 ( ) dated 5/1/90 - with revisions

SUMMARY OF DRAFT CS

Section 1

Article IX if the Constitution is amended to add a new section 17 to establish a Budget Reserve Fund. Except for royalty deposits to the Permanent Fund, all settlement funds and back taxes received after July 1, 1990 are deposited into the Budget Reserve. Money in the Budget Reserve Fund invested so as to yield competitive market rates. Income from the fund retained in the fund.

Appropriations from the Budget Reserve Fund can be made by simple majority if the amount of funds available are less than the amount appropriated for the previous fiscal year, but only up to the amount needed to equal the prior year appropriation. Notwithstanding this limitation, an appropriation may be made for any public purpose upon a vote of three-fourths of the members in a joint session.

If an appropriation is made from the Budget Reserve Fund, until the amount is repaid, any general fund balance available at the end of succeeding fiscal years is deposited into the fund.

Section 2

Constitutional amendment to be placed before voters at next general election.

5/1/90

Amendment

By Riccy

To "HJR 66 Version" of SJR 5

Page 1, Line 15, after "\$2,300,000,000" insert:

, less any amounts appropriated from a State  
source required for State participation in a federally  
mandated aid program for low income persons to the  
extent ~~the~~ <sup>the</sup> appropriations exceed amounts appropriated  
during fiscal year 1991 for the same purposes."

5/1/90

Amendment

By Rieger

To: HTR66 version of SJRS

Line 18, page 1: before "revenue" insert

"general obligation and"

Page 1, line 20: after "State," insert:

"appropriations required to pay the principal

and interest on general obligation bonds

issued by the State,"

Page 1, Line 25-27: delete all material after "taxpayers."

Page 2, Lines 3-4: delete "two-thirds", insert "three-quarters"

4/23/90 AM  
Attachment 5

4/19/90

CS HJR 66 (Judiciary)

AMENDMENT 

by BROWN

page 1, line 20, after "State," delete:

"appropriations of money received from a State source required for State participation in a federally mandated aid program for low income persons"

insert:

"appropriations of money required for state participation in federal entitlement programs for low income persons"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. ULMER

TO: CSHJR 66 (Judiciary)

Page 1, line 20, after "State,":

Insert "appropriations required to pay principal and interest on general obligation bonds issued by the State,"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. ULMER

TO: CSHJR 66 (Judiciary)

Page 1, line 20, after "State,":

Insert "appropriations to pay the principal and interest on general obligation bonds issued by a municipality for construction of elementary or secondary schools,"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. ULMER

TO: CSHJR 66 (Judiciary)

Page 1, line 22, after "persons,":

Insert "appropriations for a benefit program calculated on a formula basis if the amount required to fully fund the program for the fiscal year is greater than the amount required for the previous fiscal year due to an increase in population,"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. ULMER

TO: CSHJR 66 (Judiciary)

Page 1, line 22, after "persons,":

Insert "appropriations for a program that generates during the fiscal year an amount in program receipts equal to or greater than twenty percent of the cost of operating the program for that year,"

HJR 66 amendment

5/1/10  
by Ulmer

p. line 23 after "purpose" add:

"appropriations required to  
comply with the terms of a  
settlement agreement or

judgment in carrying out  
the trust responsibilities

of the state under the  
Alaska Mental Health  
Enabling Act of 1956"

**"Proposing an amendment to the Constitution of the State of Alaska establishing a budget reserve fund; depositing into the fund, except for money deposited into the permanent fund under Section 15 of Article IX of the Constitution of the State of Alaska, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a State or federal court involving mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property; allowing an appropriation from the fund if the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; allowing an appropriation from the fund for any public purpose upon the affirmative vote of two-thirds of the members of the legislature meeting in joint session; and providing for an effective date."**

Legal Services should be asked to draft the precise language, but I'm hard pressed to think of a "tighter" title.

Doug

*How is this  
for a title on HJR-66  
Jan*

*ATTACHMENT  
5/3/90am*



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

1411 W 33RD AVENUE  
ANCHORAGE, ALASKA 99503  
(907) 274-0536

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 586-3090

## FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435

March 16, 1990

To: Representatives Goll and Gruenberg, Co-Chairs  
Members, House Judiciary Committee

Re: Constitutional/Statutory Spending Limits

NEA-Alaska opposes any form of constitutional or statutory spending limit. Such a change would be far more than a limit on spending. It would be a limit on government and on your ability to represent your constituency and to act on their behalf and in their interests.

Tough spending decisions are never easy decisions but they must be made by our elected representatives based upon the circumstances which are current. They should not be based upon a formula driven system without regard for unique circumstances and needs.

A constitutional spending limit will have the effect of distorting subsequent spending decisions. Alaska is unique. Our problems, programs, and needs are truly different from other states. They are always dynamic.

It is predictable that they will be changing this session, next year, and in future years. As Legislators, you have a continuing need for maximum flexibility in how you chose to deal with them.

A state spending limit will do nothing more than pass along an increasing financial burden to local government. It will only serve to increase a disparity and inequity which is already glaringly evident.

In our opinion, the Alaskans who were involved in last years' "town meetings" were asking you and the Administration to have the courage to make the tough and responsible decisions on the level of programs and services which reflect our current needs and our current and projected financial resources. Such a process does not require any form of formula driven spending limit.

As Legislators you have the information, the responsibility, and the opportunity to make those spending decisions which are in the best interests of all of us. Please do so.

Thank you for your consideration of our position.

Respectfully submitted,

Bob Manners  
Executive Director

  
Don Oberg  
President

# MY TURN

*Just say 'No' to a constitutional spending limit*

By BILL POTTER

The Alaska Legislature is presently considering a constitutional spending limit. I think this is an ill-conceived idea and hope that fellow Alaskans will also oppose such a politically motivated way to avoid making the important decisions elected officials are supposed to make.

When the Founding Fathers gathered in Philadelphia to write our Constitution, the most significant comprehensive political document the world had ever seen or has yet to see, there were many present who did not have much trust in governments or government institutions. Yet in spite of this mistrust and even fear, of government run amok, they wrote a document that placed the ultimate control, the ultimate power, the power of the purse, in the hands of the people's elected representatives.

Without money, government cannot act; with money government can act. Those Founding Fathers placed the power to act, or not to act, in the hands of the people's representatives. And when a like number of another set of Founders met in Fairbanks to draft the Alaska Constitution, they recognized the wisdom of that earlier group which had met in Philadelphia, and acted likewise. They put the ultimate power, the power of the purse, in the hands of elected representatives. And that is as it should be.

A constitutional spending limit is more than a limit on spending; it is a limit on the power of government to act. It is a limit on the power of government to protect the people; it is a limit on the power of the government to serve the people; it is a limit on the power of the government to govern.

I suspect that many people who support a spending limit are concerned about the financial future of this state, and I think that is a just and righteous concern, but as bleak as the financial future of Alaska may be, it is not as bleak or as foreboding

as it has been in times past. Any review of the first eight years of this state government's financial history will show that the financial constraints were far more severe than even the most dire predictions for the future. In spite of the lack of financial resources during those early years, the state legislature, the people's representatives, were able to balance the needs of government with the financial resources available without a constitutional spending cap.

I believe we had many wise people in our legislature during those formative, financially pressing years, but I submit that the current legislature is equally wise and equally able to balance the needs of government with the finances available. I further submit that the people of Alaska will choose an equally wise legislature in the 1990 elections which will be equally able to balance the needs that exist with the finances that will be available, and subsequent elections will result in equally wise and able representatives of the people.

I don't believe it is good government policy or good public policy, for any legislature or any other body to second-guess the intelligence, judgment, or motives of future legislative representatives.

To deny future legislatures the opportunity to use their judgment to address the issues before them with the resources available at that time smacks of, if not arrogance, a profound lack of confidence in those legislators and/or the people who elected them.

I am concerned about the future of public schools because I have devoted my life to education in this state. I am concerned about the future we offer our children, and I am concerned about the economic and social status of the elderly, and I am concerned about those for whom circumstances have cast their lot outside the mainstream of our society. I have concerns for the future and what it is that may be done to restrict the ability of our legislature:

restrict the ability of government to act to deal with the issues and needs that arise within the confines of the resources available.

Notwithstanding what I said about the wisdom and ability of past, present, and future legislatures, I am painfully aware that not all legislators have been, or are likely to be, willing to make the judgments necessary to balance needs with the financial resources available. If there is a constitutional spending limit in place, I am concerned about legislators who will take the low road by saying "I wanted to help, but our hands were tied." "I wanted good schools, but there was a spending limit." "I support you in your desire to deal with alcohol and drug abuse, but there is nothing we can do with the constitutional limits placed on the legislature."

In the interests of good public policy; in the interests of good government, I urge you to resist any constitutional spending limits. I urge Alaskans to insist that elected officials demonstrate the courage to resist the temptation to tie the hands of government's ability to act in the public interest with the resources available.

\*\*\*\*\*

Bill Potter has taught in Juneau for 25 years and is a member of the Education Commission of the States.

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**House Finance  
Fiscal Policy Subcommittee**

**Report No. 3**

**Representative Kay Brown, Chair  
Representative C.E. "Swack" Swackhammer  
Representative Steve Rieger**

**January 10, 1990**

**PREFACE**

The Fiscal Policy Subcommittee of the House Finance Committee was formed early in 1989 to address issues arising from the state's critical financial circumstances. The subcommittee members are Representative Kay Brown, Chair; Representative C.E. Swackhammer and Representative Steve Rieger. In the course of developing its recommendations, the Subcommittee has been assisted by an informal fiscal policy Working Group which includes Representatives Larson, Hoffman, Ulmer, Finkelstein, Boucher, Cotten, Koponen, Boyer, Goll, Davidson, Navarre, Grussendorf, Davis, Leman, and Miller.

The Subcommittee's initial report, published February 7, 1989, included:

- potential budget reduction scenarios for FY 90;
- an approach for identifying specific reductions; and
- information about alternative revenue options.

As part of its initial effort, the Subcommittee also promoted a bi-partisan information effort that included a series of public workshops and a statewide survey sponsored by the Governor and the leadership of both the House and the Senate.

By early April, 1989 when the Subcommittee's Second Report was published, a new revenue forecast by the Department of Revenue narrowed the anticipated budget gap for FY 90 to approximately \$250 - \$300 million. In order to address the projected budget gap and put the state budget on a sustainable, recurring revenue basis, the Subcommittee recommended spending be reduced over four years to achieve an annual budget of about \$1.9 billion. Additionally, in recognition that these budget reductions alone would not

fully close the budget gap, the Subcommittee recommended that annual revenues be increased by \$300 - \$500 million. The April report also reported on the public information process.

On October 16-17, 1989 the Subcommittee met for briefings on the Prudhoe Bay production decline, OMB's mid-October Fiscal Review, the status of DNR's Oil and Gas Lease Sales, and the first in a series of Fiscal Policy Papers entitled "The Alaska Fiscal Gap" by the Institute of Social and Economic Research. In a public hearing October 16th, the Subcommittee heard testimony on state participation in economic development efforts with an emphasis on the identification of criteria for the Legislature to use in evaluating the merits of state participation in specific economic development proposals.

This report, as well as previous reports of the Fiscal Policy Subcommittee, reflect the general consensus of the subcommittee members but not necessarily unanimity of opinion on each specific point.

#### EXECUTIVE SUMMARY

Alaska is confronted with an impending fiscal crisis as a result of an inevitable "gap" between general fund revenues and present state spending. Current levels of state spending cannot be sustained.

Even assuming significant additional new oil and gas development and strong growth in the state's non-petroleum sectors, the decline in production from Prudhoe Bay will eventually necessitate substantial reductions in the state budget. The Executive Branch and legislative response to the looming fiscal gap will influence the severity of the

economic impacts associated with the decline in state revenues.

The House Finance Fiscal Policy Subcommittee recommends that the Legislature:

- adopt a target spending level of \$1.9 billion (1989 \$) to be achieved by FY 1995;
- enact a constitutional amendment to reduce spending by 3-5% each year over the next 4 years in order to achieve the target spending level;
- where realistic and likely to create new employment opportunities, pursue measures to strengthen and expand the state's private economy; and
- identify and develop new sources of recurring revenue with a priority on "user fees" that will allow recovery of the cost of providing public services directly from the beneficiaries of those services.

#### INTRODUCTION

While the Alaska Department of Revenue's most recent short-term "mid-case" forecast (\$ 2.25 billion) projects sufficient revenue to support a "maintenance level" budget for the coming fiscal year (FY 91), over the long term state revenues are expected to deteriorate rapidly with the production decline of Prudhoe Bay.

Petroleum revenues already have fallen to just half of what they were in the peak revenue years of the early 1980's. If real (inflation-adjusted) oil prices remain in their current

range, oil revenues will drop by half again by the year 2000.

If annual state General Fund spending were held at present levels of approximately \$2.3 billion (1989 \$), the projected "fiscal gap" between expenditures and revenues likely would be several hundred million dollars a year in the early 1990s and more than \$1 billion annually after the turn of the century.

The decline in Prudhoe Bay will compel a reduction in state spending. Even if one were to assume that a decision was made to deplete the entire Permanent Fund, state spending can not be maintained at current levels.

All credible analysis leads to the same conclusion: the current state spending level of approximately \$2.3 billion (in 1989 \$) cannot be sustained. The state budget will have to be reduced, not as a matter of choice, but as a matter of necessity. The only substantial point of policy debate concerns how deeply to cut the budget and how soon substantial reductions should be made.

Even assuming substantial new oil and gas development in Alaska and significant expansion of the state's non-petroleum economic sectors, the decline of Prudhoe Bay, North America's largest oil field, will have a dramatic impact on the Alaska economy.

The Executive Branch and legislative response to the inevitable decline in state spending and the type of action taken (or not taken) to reduce state spending over the next few years will have a significant influence on magnitude and severity of the economic impacts associated with the downturn in petroleum revenues.

The most important issue confronting the Governor and the legislature is how to manage the transition to a smaller, sustainable state budget in order to minimize the adverse economic impacts that will necessarily attend the reduction in available revenues. Recognizing that a failure to take decisive action in the near-term will only result in unnecessarily harsh economic impacts in the long-term, the Fiscal Policy Subcommittee recommends that the Legislature adopt a "target spending level" of \$1.9 billion (1989 \$) to be achieved within 5 years.

In order to realize these spending reductions in an orderly manner, the Subcommittee recommends that a constitutional spending limit be enacted that will enforce a gradual and orderly reduction in state spending of about 3-5% per year to achieve the \$1.9 billion (1989 \$) "target" budget level.

#### THE NECESSITY TO REDUCE SPENDING

In a recent analysis of the state's impending budget gap, the University of Alaska's Institute for Social and Economic Research (ISER) developed and evaluated four possible fiscal policy scenarios. Without endorsing or recommending any particular policy scenario, ISER developed the options in order to describe a broad range of fiscal choices (see The Alaska Fiscal Gap, ISER Fiscal Policy Papers No. 1, August 1989). The four scenarios can be briefly summarized briefly as follows:

##### Scenario 1: "Stumble from Year-to-Year"

This case assumes an effort is made to maintain current spending levels for as long as possible drawing on all available reserves (i.e., Railbelt Energy Fund, Earnings

Reserve Account) except the principal of the Permanent Fund. No new tax measures would be enacted. In this scenario, declining revenues would force significant budget cuts by 1992 with a cut of approximately 18 percent that year. Expenditures in the year 2000 would be \$1.2 billion (1989 \$), equal to revenues collected that year.

Approximately 26,000 public and private jobs would be lost over the next decade as state general fund expenditures were cut roughly in half.

#### Scenario 2: "Deplete the Permanent Fund"

The most drastic scenario developed would be to use the entire \$10 billion in the Permanent Fund (Earnings Reserves, Inflation-Proofing and, eventually, the corpus of the Fund) to sustain the current spending level. No new tax measures would be enacted. Draws on the Permanent Fund would begin in 1992 and the Permanent Fund would be depleted by the year 2003. At that point, the budget would collapse to a level of about \$1 billion.

While Alaska employment would increase in the near term, severe economic and a recession would start in 2003. Approximately 30,000 public and private jobs would be lost over a two year period. (By comparison, job loss during the 1985-1988 recession was about 25,000.)

#### Scenario 3: "Freeze the Budget/Spend Permanent Fund"

Under this scenario, the budget is held constant in nominal terms (i.e., not adjusted for inflation) and the entire \$10 billion Permanent Fund would be spent to maintain this level of spending. The effect of this scenario would be to reduce the "purchasing power" of the budget by the annual rate of inflation (estimated at 5% annually). No new tax measures

would be enacted. By 1998 the budget would be reduced to a level of \$1.5 billion (1989 \$). This scenario assumes that after 1998 the budget would be held constant at \$1.5 billion (1989 \$). The Permanent Fund would be depleted shortly after the year 2010 and further major reductions in spending would be required thereafter.

This scenario would result in the gradual loss of about 20,000 public and private jobs over the next decade. After 2010, when spending was sharply curtailed upon depletion of the Permanent Fund, a "shock wave" of reduced employment would travel through the economy.

#### Scenario 4: "Cut Spending and Raise Taxes"

This scenario calls for meeting the projected fiscal gap through a combination of spending cuts and the establishment of new recurring revenues. This scenario contemplates a 25% cut in the General Fund budget over a 10-year period to \$1.7 billion (1989 \$), coupled with action to increase sustainable recurring revenues by \$650 million annually. Under this scenario it is assumed that the personal income tax is reimposed (\$250 million/year) in 1991 and Permanent Fund earnings currently used for dividends (\$600 million/year) are diverted to support general public services in 1995. This scenario indicates that a General Fund budget level of \$1.7 billion/year could be sustained through the 1990s and beyond into the following decades. After the year 2000, expenditures could be maintained at the target level indefinitely. This scenario also would require near-term budget cuts even while state revenues are still on the increase over the next few years.

About 12,000 public and private jobs would be lost as spending cuts were made. Another 3,000 would be lost as the

income tax was reimposed and 5,000 more when the Permanent Fund dividend program was terminated.

#### ECONOMIC IMPACTS OF ALTERNATIVE FISCAL SCENARIOS

In comparing these fiscal scenarios, it is evident that state spending must be reduced. While these reductions can be avoided in the near term, eventually they must be confronted. Even if the personal income tax were reimposed and revenues now used for PFDs were diverted to support basic government services, the ISER analysis concludes that state general fund spending still would have to be cut by approximately 25% in order to achieve an indefinitely sustainable budget level of \$1.7 billion (1989 \$).

Accordingly, even if substantial new taxes were imposed and/or there was support for use of the Permanent Fund for basic services, significant cuts in state spending still would be inescapable. The only significant point of policy debate concerns how deeply to cut the budget and how soon substantial reductions should be made.

Further, it is apparent from the ISER analysis that the fiscal policy choices made in the near-term by the legislature will have a significant influence on the nature and extent of the eventual economic impacts experienced by the state economy as spending declines.

Gradual reductions in state spending would have the least traumatic effect as measured in total job loss while also allowing for maximum state-supported employment over the long term. By contrast, the avoidance or forestalling of budget cuts in the near-term eventually will lead to a larger total job loss when spending reductions become unavoidable, as well as a lower overall, long-term level of state-supported employment.

In summary, the near-term actions taken (or not taken) by the Governor and the legislature to reduce state spending will significantly influence the eventual severity and extent of the public and private sector employment supported by state spending. If the public policy objective were to maximize Alaska employment, the ISER analysis indicates that the scenario assuming a combination of budget reductions and new revenue measures (i.e., Scenario 4: "Cut Spending and Raise Taxes") would result in the lowest total job loss attributable to reduced revenues while also yielding the highest overall sustainable level of Alaska employment in the long term.

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**SUMMARY OF EMPLOYMENT IMPLICATIONS  
ALTERNATIVE FISCAL SCENARIOS**

Stumble Along

- 33,000 public and private jobs lost by 2010
- state-supported jobs in 2010: 26,000
- wage/salary employment 2010(1): 236,000

Deplete Permanent Fund

- 35,000 public and private jobs lost by 2010
- state-supported jobs in 2010: 23,000
- wage/salary employment 2010(1): 233,000

Freeze/Spend Permanent Fund

- 21,000 public and private jobs lost by 2010
- state-supported jobs in 2010: 38,000\*
- wage/salary employment 2010(1): 249,000\*

(\* about 2015, state-supported employment would experience a dramatic drop as the Permanent Fund was exhausted)

Cut Spending & Raise Taxes

- 19,000 public and private jobs lost by 2010
- state supported jobs in 2010: 40,000
- wage/salary employment 2010(1): 247,000

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**Note:**

(1) exclusive of military and self-employed

Source: Goldsmith, S., "The Alaska Fiscal Gap," Institute of Social and Economic Research, University of Alaska Anchorage (August 1989) and personal communication.

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**POLICY PRINCIPLES TO GUIDE THE TRANSITION**

In the view of the Fiscal Policy Subcommittee, several fundamental principles should be used to guide decision-making as the Legislature undertakes the effort to make the transition to a smaller annual state budget based on annually recurring revenue streams. During recent hearings information was provided to the subcommittee concerning work of the Council on Economic Policies established by former Governor Jay Hammond. Several of the following principles are derived from the Council's work.

**Principal No. 1:** The State should separate subsidies from investments.

Investments are those that are projected to yield a return of principal and interest directly to the State treasury, through the imposition of taxes or user fees. Subsidies, on the other hand, are State expenditures that support a given project or service which has some broad public purpose, but provides less than a market financial return to the State treasury. Subsidies should be explicit, and should be budgeted. Apart from special projects, it is important to remember that in the absence of a broad-based tax structure, all households and all businesses, with the exception of oil and gas producers, are being subsidized by the state because they are not paying the full cost of the services and facilities they require.

**Principle No. 2:** The State should have in place a tax structure that captures a portion of the wealth attributable to economic growth.

Increased economic activity generates additional needs for governmental services and infrastructure, as the resulting

population increases. However, the tax mechanisms commonly found in other states needed to support these additional expenditures (such as the income tax or sales tax) are not currently in place. Therefore, additional growth means increasing deficits in terms of industry paying its own way. Unless economic growth includes payment for required services, the state finds itself in the position of subsidizing the creation of jobs and then subsidizing the services that these new jobholders require.

Principal No. 3: The State should not engage in purely speculative development of infrastructure.

The state should evaluate speculative infrastructure development proposals very carefully as the risk is high and the experience of other developing countries that have attempted this approach, as well as Alaska's own experience, has been abysmal. The state must ensure that its money is spent wisely on the most needed development projects that have the greatest chance of facilitating private sector development. State involvement in the case of infrastructure development for economic development should be conditioned on a clear commitment by private parties to share in the cost and responsibility for project development.

#### MANAGING THE TRANSITION

Although the need to reduce state spending clearly is recognized by the Legislature, widely different budget priorities among the many regions of the state and the availability of "surplus revenues" during the recent past have frustrated recent attempts to reduce spending.

Constitutional Limit on State Spending

In recognition of the inevitability of general fund reductions and the need to ensure an orderly reduction in spending that minimizes adverse economic impacts, the Subcommittee recommends enactment a constitutional amendment to compel spending reductions.

This amendment would

- target a spending level of \$1.9 billion (1989 \$) within 4 years; and
- reduce spending by 3-5% each year over that period in order to achieve the target spending level by FY 1995;

The proposed constitutional amendment would limit appropriations to \$2.2 billion or a maximum equal to appropriations of the previous fiscal year, whichever are less, with certain exceptions as stipulated. These exceptions would include:

- appropriations to the Permanent Fund
- appropriations for Permanent Fund Dividends
- appropriations of revenue bond proceeds
- appropriations for payment of General Obligation bonds
- appropriations of non-state "pass-through" funds
- appropriations to meet a state of disaster declared by the Governor as prescribed by law

A partial exception to this "spending cap" would be allowed if inflation were determined to be above 6%. If, in the session following a given fiscal year appropriation, inflation was determined to be in excess of 6%, an appropriation above the cap would be allowable -- but only

to the extent necessary to offset the effects of inflation above 6% -- and then subject to a two-thirds vote of the membership of the Legislature.

Existing language in the state constitution concerning the allocation of appropriations between operating and capital expenditures would be repealed.

The appropriation limit would be in effect for four years and expire at the end of Fiscal Year 1995 (i.e., June 30, 1995).

#### Fiscal Effect of Spending Limit

Capping spending at \$2.2 billion would have the effect of reducing the budget (in terms of effective purchasing power) by the rate of inflation, estimated at approximately 5% per year. Still further reductions would be required under a \$2.2 billion cap in order to "absorb" the cost increases driven by formula program increases (e.g., additional students in the foundation formula, increased power consumption under the Power Cost Equalization program, additional applicants for the Longevity bonus) absent "cost containment" changes to these formula programs. Also, increased federal program responsibilities (e.g., welfare reform) without increased federal funding would necessitate further cutbacks to existing state services or programs.

Although there is no consensus at the present time regarding an appropriate level of state spending, it is clear that current levels can not be sustained. The proposed constitutional amendment would substantially reduce the budget to a level of approximately \$1.9 billion (1989\$) by the end of FY 1995 when the amendment would expire.

Although current analysis indicates that even this substantially lower level of spending is not supportable without new or increased recurring revenues, the "fiscal gap" will have been significantly reduced and the general public, the Governor and the legislature will be able to reassess the state's fiscal condition at that time.

#### Windfalls Off the Table

Whether or not the effort to enact a constitutional amendment is successful, it will be imperative for the Legislature to take action to take "windfall" revenues such as one-time litigation settlements "off the table."

Several proposals have been advanced toward this end. These proposals include:

- re-establishment of a budget reserve fund;
- appropriation to provide "forward funding" of education;
- use of near-term surplus revenues to pay off the state's General Obligation bonded indebtedness; and
- appropriation to the Permanent Fund.

Regardless of what specific mechanism is chosen, action should be taken either to "save" these surplus revenues for future spending or commit them to a purpose that will preclude their use in a way that will frustrate the long-term objective of reducing state spending in a gradual and orderly fashion. Passage of the proposed constitutional amendment would accomplish this goal.

Expanding the Private Economy

Although it is widely accepted that there are no realistic opportunities available to replace Prudhoe Bay as the state's dominant source of revenue, it is still imperative to support the continued exploration and development of Alaska's oil and gas resources in an environmentally responsible manner with particular emphasis on the prevention of future oil spills through the rigorous regulation and enforcement of the state's oil pollution control laws.

At the same time, while recognizing the limited contribution to be made from the non-petroleum sector of the state economy relative to the oil industry (see summary of the Alaska State Chamber of Commerce "Export Model" below), there are actions that the Legislature can and should take to expand and strengthen the state's non-petroleum economy.

In particular, efforts should be focused on expanding the state's tourism economy; strengthening our fishing industry; capitalizing on Alaska's global geopolitical location as part of the worldwide transportation and distribution industry; encouragement of new international and domestic investments in Alaska through changes to the state's unitary tax law; facilitating development of a state information industry; and continued efforts to expand international trade.

An economic development legislative agenda developed by the House Majority Economic Development Working Group is attached as Appendix A.

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**EXPORT MODEL OF THE ALASKA ECONOMY**  
(in millions)

Oil and Gas		\$ 4,000
Fishing		300
Timber		200
Minerals		100
Coal		25
Travel/Tourism		500
Defense	1,600	
Other Federal	<u>1,300</u>	
	2,900	
Less Federal Taxes	(2,000)	900
Permanent Fund Dividend		300
Total Estimated Value		\$ 6,325

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Source: Alaska State Chamber of Commerce (January 1988)

Budget Reduction Strategies and New Revenue Options

The Fiscal Policy Subcommittee addressed the issue of potential budget reductions and new revenue options in its previous reports.

No significantly new information is available to modify the Subcommittee's earlier findings.

APPENDIX A

HOUSE MAJORITY ECONOMIC DEVELOPMENT WORKING GROUP

Premise: Expansion of the private sector economy should be enhanced by specific actions taken by the Legislature.

ECONOMIC DEVELOPMENT STRATEGIES

■ Continue to develop the most viable and promising existing resource extraction industries -- which include oil and gas, coal, minerals, and timber.

■ Double the number of visitors to Alaska by the year 2000.

Maintain support for domestic marketing program. Increase emphasis on independent and highway travelers, fall-winter-spring seasons.

Initiate expanded, multi-year international tourism marketing program.

Fund tourism infrastructure projects, such as

- \* State park repairs, maintenance/expansion of basic facilities
- \* Ship Creek re-development
- \* Denali development
- \* Girdwood water/sewer system
- \* Project 92 (50th anniversary of Alaska Highway)
- \* Juneau cruise ship port development

Pass legislation (SB 213/HB 290) to facilitate the leasing of state land for recreational facilities.

■ Expand the management capability and marketing of Alaska's fisheries resources.

Undertake assessment of fisheries that could be more intensely harvested consistent with the sustained yield principle.

Target and support enhancement programs to compliment commercial and sport fisheries expansion.

Increase management capability so that adequate information and enforcement efforts can maximize economic harvest.

■ **Expand transportation/distribution industry (capitalise on Alaska's strategic geographic location).**

Maintain port and airport facilities; expand facilities to accommodate viable economic activity.

Support DOTPF effort to establish a Statewide Port and Harbor Development Program.

■ **Encourage international and domestic capital investments in Alaska.**

Support unitary tax change (HB 281/SB119).

■ **Encourage development of an information industry.**

Undertake assessment of public and private efforts to develop this industry and prepare a strategic plan for implementation, including actions such as establishing a University Center for Information Technology.

Support university programs generally.

■ **Continue efforts to expand international trade.**

Expand Pacific Rim language courses in the state school system (HB 6) and the university.

**CAPITAL SPENDING PROPOSAL**

To implement several of the strategies identified above, to protect prior investments, and to fulfill statutory and constitutional responsibilities, continue to make capital investments in maintenance and public infrastructure.

■ **Goals:**

Meet highest statewide and regional priorities.

Enhance development of the private sector economy.

■ **Criteria:**

Will the project serve a public purpose? Is it a constitutional or statutory responsibility?

Is there evidence of public and local community support?

Is the project ready for development?

Will the project provide for the basic maintenance of an existing capital investment; what are the long-term O&M cost implications?

Will the project leverage non-state investment?

Will the project generate a direct return to the state treasury in terms of new revenues?

Will the project will have a quantifiable positive economic benefit for the state, or a region of the state, considering all costs and benefits (such as jobs created, royalties and taxes captured, and ancillary economic or other benefits)?

Is the project compatible with maintenance of environmental quality; does it enhance, or at least not degrade, the quality of life for those directly affected?

Will the project enhance the development of private enterprises?

**Proposed total capital budget:**

\$250 million.

**Funding sources:**

\$125 million GF and \$125 million RBEF.

**Proposed allocation:**

\$125 million -- Governor's capital budget (statewide projects, agency capital projects, roads, schools, repairs, etc.)

\$125 million -- Railbelt economic development projects

**Process:**

Orderly process and consideration of projects on merit and criteria.



# ISER FISCAL POLICY PAPERS

No. 1, August 1989

Institute of Social and Economic Research

University of Alaska Anchorage

## THE ALASKA FISCAL GAP

by Oliver Scott Goldsmith

Alaska faces a problem that will be very tough to solve but is easy to explain: state government is spending more than it collects. The problem will get much worse as time goes on. If state general fund spending stays at the current level of \$2.25 billion (in 1989 dollars), we face a fiscal gap—the difference between current spending and projected revenues—that could soon grow to \$1 billion annually.

This budget crisis looms because oil production, which supplies 85 percent of the state's general fund revenues, will soon begin dropping as the huge Prudhoe Bay oil field is depleted. Likely new petroleum production, higher oil prices, and other economic activity in the coming decade won't be able to generate nearly enough tax and royalty income to replace the loss of Prudhoe Bay production.

Figure 1 shows projected oil production and state petroleum revenues over the next 20 years, based on the Alaska Department of Revenue's estimates from producing fields and our own estimates of new field production and per barrel revenue. Production is at its peak and will soon begin a long decline. Even assuming production from new fields such as West Sak—the timing of which is uncertain—production in 2000 will be only half of what it is today. Petroleum revenues

have already fallen to just half of what they were in the early 1980s, because oil prices are much lower now. If the real price of oil remains in the range where it has been for the last few years, petroleum revenues will drop by half again by 2000.

This figure does not include potential production and revenues from oil fields that may exist in the Arctic National Wildlife Refuge (ANWR). Such revenues would of course help reduce the budget shortfall in the next century. But under any reasonable assumptions (see the box on page 4) they would fall far short of revenues we've enjoyed from Prudhoe Bay, and could not reverse the downward trend. Also, future production from ANWR is extremely speculative right now. Congress would first have to open the refuge to exploration and oil companies would have to discover commercial quantities of oil; after such discoveries it would take years to bring new fields into production.

### THE FISCAL GAP

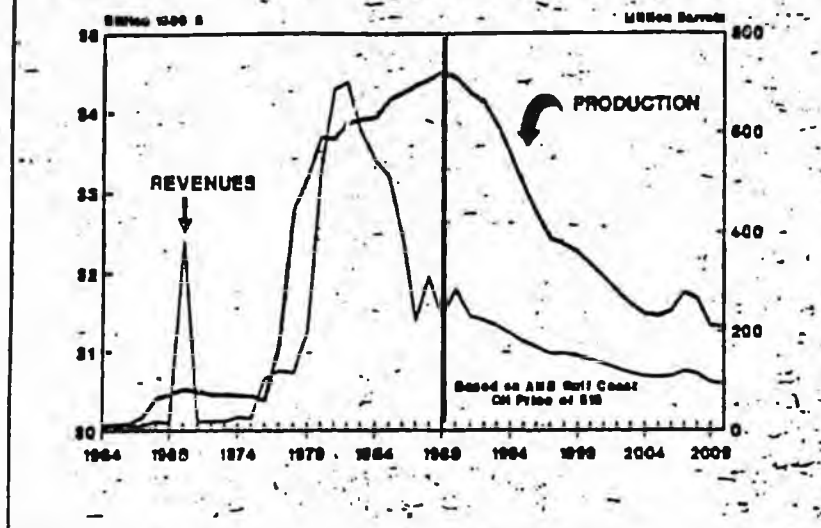
How shrinking production and revenues translate into trouble for Alaska is apparent in Figure 2. It shows the potential size of the future gap

This is the first in a series of *ISER Fiscal Policy Papers* that will examine aspects of state government spending. We intend these papers to focus the attention of state officials and of Alaskans in general on the serious budget crisis we face, and on the necessity for dealing with it soon. We hope this and later papers will provide policymakers with information and analysis they will need when making the difficult decisions ahead.

The author, Oliver Scott Goldsmith, is professor of economics with ISER. He has fourteen years of experience examining state spending. Lee Gorsuch, ISER director, is responsible for the design and presentation of this series. Linda Leask edited the paper.

The *ISER Fiscal Policy Papers* series is financed by a grant from ARCO Alaska.

**FIGURE 1. PROJECTED ALASKA PETROLEUM REVENUES AND PRODUCTION**



between general fund revenues and spending. If annual spending were held at its current level of about \$2.25 billion (in 1989 dollars), the gap between spending and revenues could be several hundred million dollars a year in the early 1990s and more than \$1 billion annually after the turn of the century. If future revenues turn out to be larger than we anticipate, the fiscal gap could be reduced for a short time but the overall picture would be the same. (See the box on page 4 for a description of how our results would change under different assumptions about future developments and other factors.)

Such a gap of course can't persist. We'll have to balance the budget by cutting spending, raising taxes, using savings, or some combination of the three. These changes will affect not only those who currently enjoy state services, work for state government, or pay taxes. Everyone who benefits from local government services like schools and street maintenance will also be affected. Budget cuts will also affect recipients of government transfers—including Permanent Fund dividends—and businesses that depend on the purchasing power provided by a large public sector.

Balancing the budget will affect all Alaskans, because the economy and people of Alaska are dangerously dependent on state government spending financed by oil revenues. Even now, after several years of recession and a precipitous drop in revenues, state government spending still

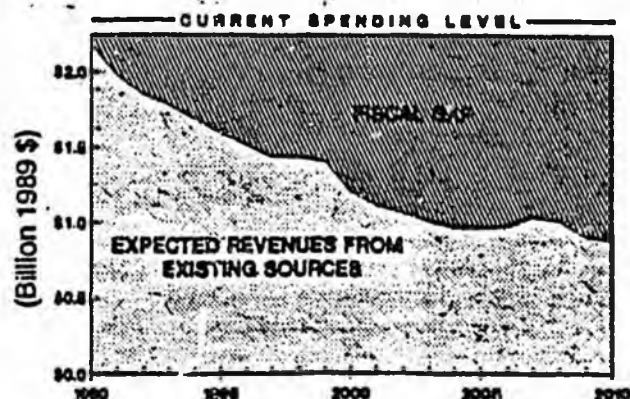
accounts directly and indirectly for more than one in four Alaska jobs.

Below we look at four possible ways to deal with the fiscal gap between now and the year 2010. Briefly, our four cases are: (1) Stumble From Year to Year; this case assumes that the state tries to maintain current spending for as long as possible by using all available reserves except the principal of the Permanent Fund and then cuts spending to match reduced revenues. (2) Deplete the Permanent Fund; this case examines what would happen if the state maintained the current budget level by spending the principal of the Permanent Fund. (3) Freeze the Budget; this case looks at how the

fiscal gap would be affected if the state did not adjust the budget for inflation—in effect cutting the budget by the annual rate of inflation. (4) Cut Spending and Raise Taxes; this case describes the combined effects of reducing state spending, reimposing the personal income tax, and eliminating the Permanent Fund dividend.

There are other possible combinations, but these four scenarios include the main options available to the state. We do not discuss, nor have we attempted to analyze, the enormous political difficulties inherent in exercising any of these options. Some would require changes in law or even amendments to the Alaska constitution. All would generate intense public debate, and most

**Figure 2. PROJECTED STATE FISCAL GAP\* (Difference Between Revenues and Spending)**



\*Projected at the current level of state general fund expenditures. Revenues include oil settlement estimate.

## REAL VS. INFLATED DOLLARS IN FISCAL ANALYSIS

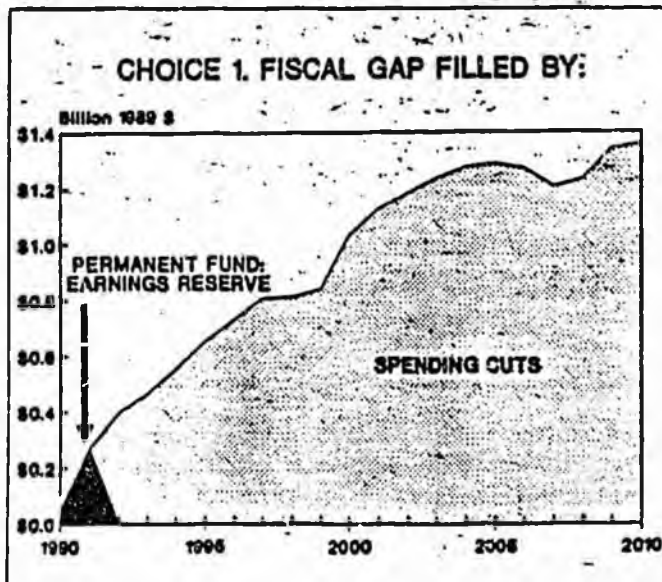
For simplicity and clarity all revenues and expenditures are presented in 1989 dollars. Using this technique eliminates the need to estimate the rate of inflation—the value of which has only a marginal effect on the rest of our analysis—and avoids the confusion that inflation can introduce when we try to compare the purchasing power of dollars received at different times. For example, \$1 of revenue collected in 2000 would have the purchasing power of just 61 cents, if inflation were 5 percent annually over the next decade. Our use of 1989 dollars throughout the analysis allows direct comparisons of current and future purchasing power.

The use of real dollars also corrects a misinterpretation that can arise in revenue projections that use nominal dollars. In such projections, the inflation-proofing portion of Permanent Fund earnings can appear to be a source of recurring revenues. In fact, inflation-proofing is just the portion of earnings needed to offset the devaluation of the fund principal by inflation. Because we use real dollars in our analysis, inflation-proofing does not appear as a separate revenue source, and we avoid any potential misinterpretation. This assumption does not preclude the policy option of appropriating inflation-proofing to fund government spending.

would face extremely strong opposition from specific groups or from Alaskans in general. This paper does not endorse any particular strategy to balance the budget. Rather, it describes in general the tradeoffs—who bears the pain—and the ramifications of the various choices.

Doing an analysis like this requires making certain economic assumptions. Those assumptions are summarized in the box on page 4 and in the individual case descriptions. We can't be sure that these assumptions will prove correct, but changing those assumptions in any reasonable way would not substantially alter our findings.

### FISCAL CHOICE 1: STUMBLE FROM YEAR TO YEAR



In this case we look at what would happen if the state government budgeted from year to year, trying to maintain the current level of spending (\$2.25 billion in 1989 dollars) for as long as possible, using available fund balances but making no changes in current fiscal policies. The dividend

program would not be changed, the principal of the Permanent Fund would be retained, and no new tax measures would be enacted.

Revenues from the settlement of disputes with the oil companies over past royalty and tax payments, as well as with the federal government over ownership of leases in the Beaufort Sea, are an important element of our revenue estimates for the 1990s. The amount and timing of any settlement money the state might receive is extremely uncertain, but we assume for this and the other cases that the settlements occur regularly over the next decade in an amount equivalent to \$1.7 billion today. (See also the box on page 4 for an example of how changing this settlement total would change the analysis.) In reality the state may not be so fortunate as to receive a steady stream of income from this source, and the budget shortfall would pressure the state to accept quick negotiated settlements in these disputes.

Under these conditions, the Railbelt Energy Fund, the Earnings Reserve Account of the Permanent Fund, and other fund balances could balance the budget for a short time. A fiscal gap of \$400 million would open in 1992 and grow to an annual deficit of \$1 billion by 2000. In this scenario, state government and the economy would adjust to reduced state spending as discussed below and shown in the graphs on page 7.

**Permanent Fund:** The Permanent Fund would remain just about the same size (inflation-proofed) that it is today. Contrary to popular belief, future earnings of the Permanent Fund will not be able to replace petroleum revenues in the support of state government. Annual additions to the fund from petroleum revenues—which the state constitution currently requires go directly to the principal of the Permanent Fund—plus earnings would largely be consumed by the Permanent Fund dividend program, with little or nothing left

## ECONOMIC ASSUMPTIONS USED IN ANALYSIS

If we changed the economic assumptions used in this analysis, the rate at which the fiscal gap grows would be different but the options for dealing with the gap would be the same. To focus on those options we held the economic assumptions constant throughout the four cases. The most important assumptions are listed below. (Full details on the assumptions are available from the author.)

**OIL PRODUCTION:** Alaska Department of Revenue estimate, Spring 1989, plus West Sak production scenario developed by author (oil companies recently announced postponement of West Sak exploration)

**OIL PRICE:** Gulf Coast delivered price for Alaska North Slope (ANS) crude averages \$15 a barrel (in 1989 dollars)

**RETURN ON PERMANENT FUND:** 3 percent annually, net of inflation

**EMPLOYMENT GROWTH RATE:** 1.75 percent annually, independent of government spending

**SETTLEMENT REVENUES FROM PETROLEUM DISPUTES:** \$1.7 billion (in 1989 dollars), received over 10 years

**TAX REGIME:** Reflects the Economic Limit Factor (ELF) as revised by the Alaska Legislature in June 1989

**INFLATION RATE:** 5 percent annually

**RECURRING REVENUES (Non-petroleum revenues):** 1 percent growth annually, net of inflation

for fund growth. The total amount available to pay dividends and the payments to individual Alaskans would stay fairly constant because population growth would roughly match growth in the total available for dividends. Dividends as a component of government spending would increase because of decreased spending in all other functional areas.

**Revenues:** With no new recurring revenues, general fund revenues would steadily decline to about \$1.2 billion in 2000. Permanent Fund additions and earnings would remain relatively constant because of the stable size of the fund.

**Expenditures:** Declining petroleum revenues would force significant budget cutbacks beginning in earnest in 1992. The general fund would need to be cut 18 percent that year to balance the

budget. Smaller annual cuts would be the rule over the next two decades. Expenditures in 2000 would be \$1.2 billion—equal to revenues collected that year. These cuts in state spending would mean underfunding many and eliminating some government programs; reducing transfers to local governments (reating pressure on local governments to increase taxes and try to shift government functions back to the state); and reducing financial support for individuals. Projected population growth would add to the problem of deciding how the cuts should occur. Uncertainty about the timing and magnitude of cuts from year to year would create continuing confusion and negative attitudes both within government and the private sector.

**Alaska Employment:** During the next decade 26,000 public and private jobs would be lost as

## WHAT IF WE CHANGED THE ASSUMPTIONS?

A question likely to be asked is: How much longer could we maintain current spending if revenues turned out to be greater than we have assumed? If we used up the entire Permanent Fund (as discussed in Case 4), we could maintain current spending up until 2003. Alternate assumptions would add to the number of years that the current spending level could be maintained as follows:

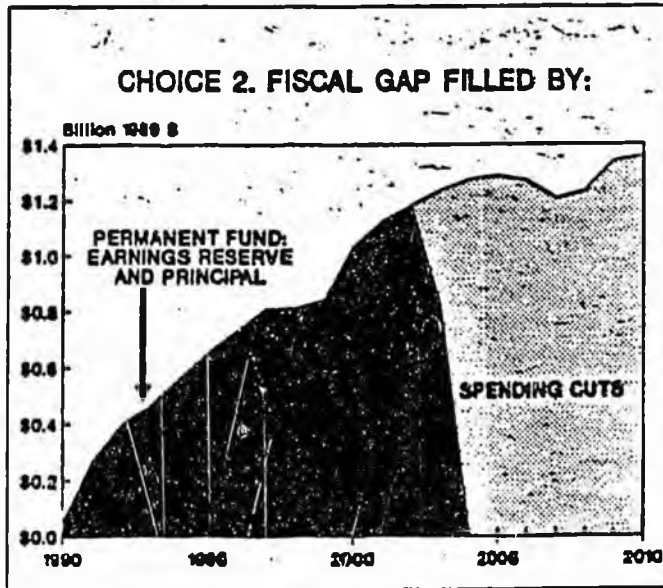
\$1 increase in the price of oil	1 year
Gas pipeline in the 1990s	1 year
ANWR production shortly after 2000	1 year
Petroleum settlements of \$3.4 billion	2 years

Another likely question is: What would be the cost of a one-year delay in closing the fiscal gap? Our analysis in Case 4 indicates that the state can sustain annual spending of about \$1.45 billion (in 1989 dollars) based on the current tax regime, compared with the current spending level of \$2.65 billion (including the approximately \$400 million paid in Permanent Fund dividends). The difference between current and sustainable spending—\$1.2 billion—approximates the loss in state fiscal assets associated with each year of delay in closing the gap.

state general fund spending was cut virtually in half. (For simplicity we assume public sector jobs would be eliminated in proportion to the budget cuts. Wage rate reductions could partially offset this job loss. We also assume that local governments do not raise taxes in response to less state fiscal support.) The drag on the economy created by a job loss of this magnitude would make it difficult if not impossible for the economy to grow, even assuming the private sector could generate new jobs at about the same rate projected for the national economy—1.75 percent annually. Total employment in Alaska in 2000 would be only slightly above what it is today.

**Economic Well-Being:** Annual percentage changes in employment would hover near zero for most of the next 10 years, with a dramatic drop when government spending was first reduced in 1992. Per capita general fund government spending would fall about 5 percent annually through most of the next 20 years.

### FISCAL CHOICE 2: DEplete THE PERMANENT FUND



Another strategy for dealing with the budget crisis—the most drastic and one which would require an amendment of the Alaska constitution—would be to use the entire \$10 billion in the Permanent Fund to plug the fiscal gap and keep spending at \$2.25 billion (in 1989 dollars) for as long as possible. We do not endorse this strategy, but include it to cover the range of options avail-

able to the state. Under this scenario, the portion of Permanent Fund earnings now used to protect the principal of the fund from inflation would be spent, as well as the principal of the fund itself.

The first draw—\$400 million from inflation-proofing—would be required in 1992. Within two years, however, we would begin taking from the principal of the fund, and the withdrawals would grow rapidly—topping \$1 billion for the first time in 2000. The fund principal would be drawn down faster as time went on not only because of the growing fiscal gap but also because the shrinking Permanent Fund would generate less earnings each year. Under this scenario, the effects would be as discussed below and shown in the graphs on page 8.

**Permanent Fund:** More than \$6 billion from the Permanent Fund would be needed to fill the budget gap between 1992 and 2000. The last year of withdrawals would be 2003, when the Permanent Fund would be depleted. The Permanent Fund dividend would be an additional casualty, declining each year as the fund shrank and disappearing when the fund disappeared.

**Revenues:** Revenues flowing into the general fund would be the same as in Case 1, but the use of Permanent Fund earnings and principal would disguise the shortfall until 2003, when the Permanent Fund would be gone. By 2005, revenues would be about \$1 billion—60 percent less than the level expected in 1990. The additions and earnings of the Permanent Fund would fall as the fund itself shrank.

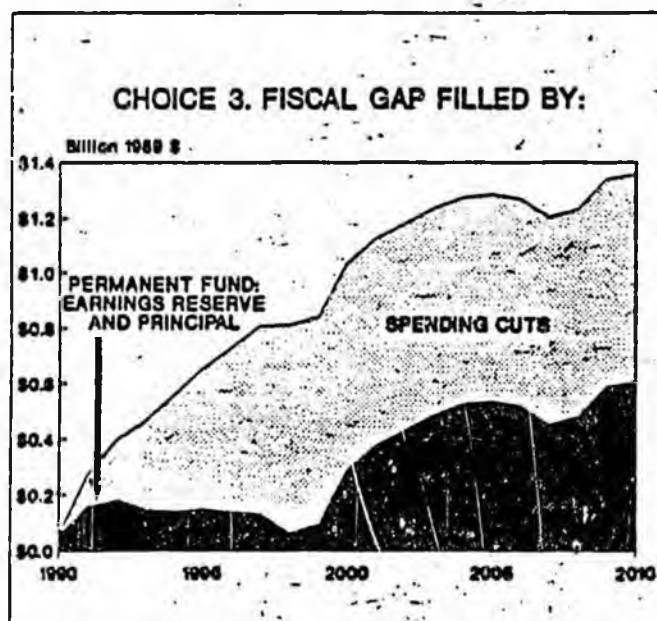
**Expenditures:** The Permanent Fund would prop up expenditures until 2003. Then a massive "forced transformation" of the public sector and the entire Alaska economy would occur because of the sudden drop in state general fund spending—from \$2.25 billion to \$1 billion in just two years. All public services at the state and local levels would suffer dramatic cutbacks.

**Alaska Employment:** Extreme dislocation and a serious economic recession would start in 2003. About 30,000 jobs—both public and private—supported by general fund spending would disappear over a two-year period. (To put such a drop in perspective, job loss during the 1985-1988 recession was about 25,000.) Even assuming

private industry would continue to generate jobs at the rate of 1.75 percent annually, by 2010 Alaska would still not have replaced all the jobs lost during the recession.

**Economic Well-Being:** Alaska employment would increase through 2002 because of growth in the private economy and constant general fund government spending. In the following two years, 12 percent of total state jobs would disappear. Despite constant government spending through 2002, per capita state general fund spending would decline because private economic growth would be drawing people to Alaska. Per capita state general fund spending would be cut nearly in half when the "forced transformation" occurred.

### FISCAL CHOICE 3: FREEZE THE BUDGET



The forced transformation of the public sector and the severe recession described in Case 2 could be mitigated under a scenario in which the budget was held constant in nominal dollars—that is, not adjusted for inflation. Such a strategy would reduce the purchasing power of the budget each year by the rate of inflation.

The average annual rate of inflation in the coming years is expected to be in the neighborhood of 5 percent. If the budget were not adjusted for that inflation, the real dollar value (the effective purchasing power) of the budget would fall by 5 percent each year. If the state government imple-

mented a constant budget policy starting in 1991, the budget could be reduced to an arbitrary target level of \$1.5 billion (in 1989 dollars) by 1998.

A gradual policy like this would require a large amount of political discipline, but it would have several attractive features—even though it would not entirely solve the state's long-term fiscal problem. Public programs could be phased out on the basis of plans developed to minimize the effects of the budget reductions. The economy would not suffer the kind of massive shock described under Case 2, when state spending would be reduced by half in just two years. The effects of using inflation to cut the budget are discussed below and shown in the graphs on page 9.

**Permanent Fund:** This strategy at first glance appears to preserve the Permanent Fund, since the balance would hold relatively constant for several years after budget cuts ended. It would require use of portions of the annual appropriations for inflation-proofing during the 1990s. After 2000 continuing declines in revenues would force significant withdrawals from principal. By 2010 the fund principal would be only about \$3.5 billion, as compared with \$10 billion today. As the Permanent Fund shrank, the amount paid out as dividends would also fall off.

**Revenues:** General fund revenues would be the same as in Cases 1 and 2. The spending reductions would not be sufficient to produce a general fund surplus; such a surplus could in itself be a new source of earnings. Additions and earnings of the Permanent Fund would taper off after 2000 as the principal of the fund was spent.

**Expenditures:** State expenditures would fall off gradually but steadily each year until 1998 and then hold steady at \$1.5 billion through the next decade—but only because we would be using the principal of the Permanent Fund to supplement other revenues. After 2010 the Permanent Fund would be used up and a smaller "forced transformation" of the public sector and the economy would occur. Under this scenario, dramatic cuts in state spending—as much as 40 percent—would be forced by 2015 (not shown on the graph).

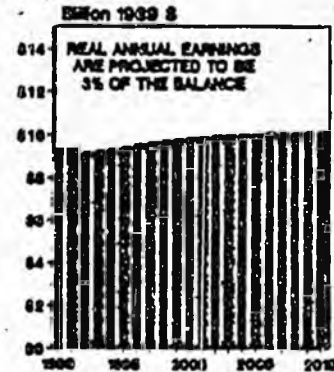
*(Text continued on page 11)*

# Fiscal Choice 1: Stumble from Year to Year

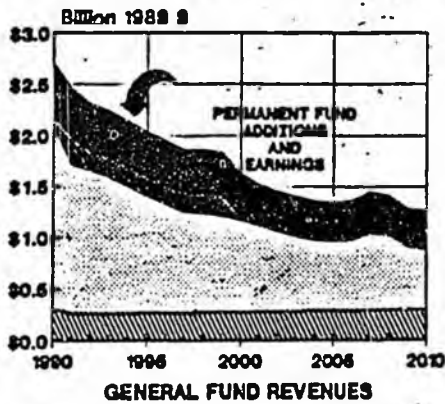
## CASE ASSUMPTIONS

- **SPENDING:** General Fund spending based on availability of revenues up to \$ 2.25 billion (1989\$)
- **TAXES:** No new taxes
- **DIVIDEND:** Retain Permanent Fund dividend
- **PERMANENT FUND:** Leave Permanent Fund principal intact, continue contributions and inflation proofing, spend earnings reserve account
- **OIL PRICE (constant across cases):** Average ANS Gulf Coast oil price \$15 (1989\$)
- **SETTLEMENTS (constant across cases):** \$1.7 billion of oil settlements collected and spent over 10 years.

## PERMANENT FUND BALANCE

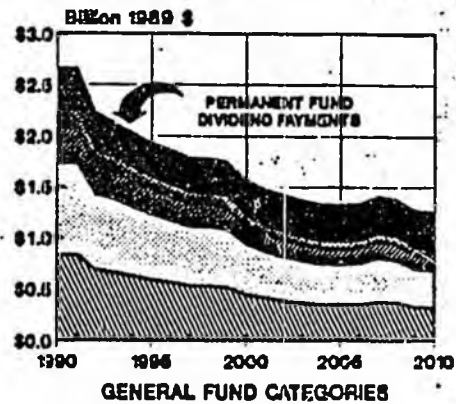


## STATE GOVERNMENT REVENUES (Permanent Fund Included)



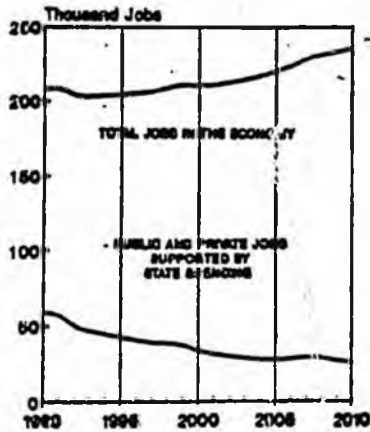
RECURRING    OIL  
SETTLEMENTS

## STATE GOVERNMENT EXPENDITURES (Dividend Included)



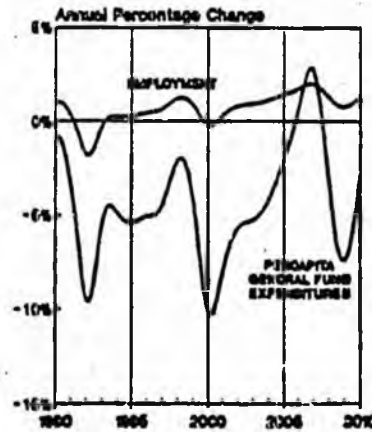
AGENCY    FORMULA  
OTHER    CAPITAL

## ALASKA EMPLOYMENT



Wage and Salary Employment Only

## ECONOMIC WELL-BEING

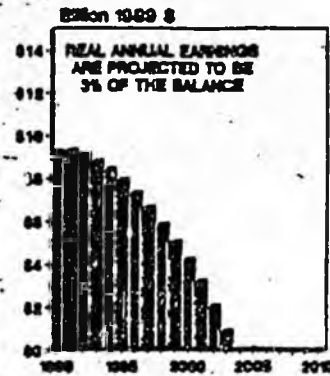


# Fiscal Choice 2: Deplete the Permanent Fund

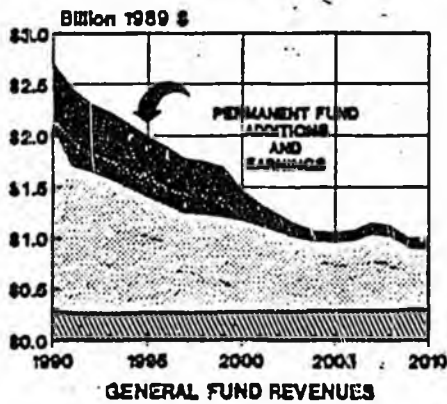
## CASE ASSUMPTIONS

- **SPENDING:** General Fund spending based on availability of revenues up to \$ 2.25 billion (1989\$)
- **TAXES:** No new taxes
- **DIVIDEND:** Retain Permanent Fund dividend
- **PERMANENT FUND:** Use Permanent Fund principal to maintain spending as long as possible
- **OIL PRICE (constant across cases):** Average ANS Gulf Coast oil price \$15 (1989\$)
- **SETTLEMENTS (constant across cases):** \$1.7 billion of oil settlements collected and spent over 10 years

## PERMANENT FUND BALANCE

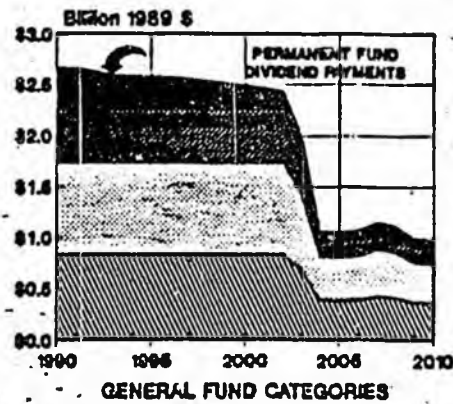


## STATE GOVERNMENT REVENUES (Permanent Fund Included)



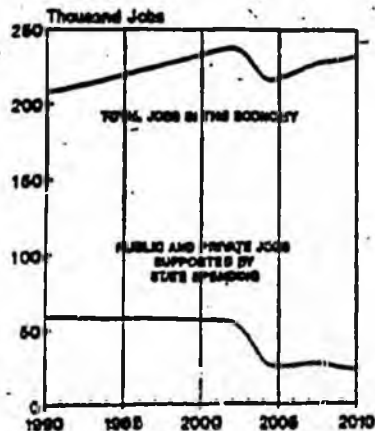
RECURRING    OIL  
SETTLEMENTS

## STATE GOVERNMENT EXPENDITURES (Dividend Included)

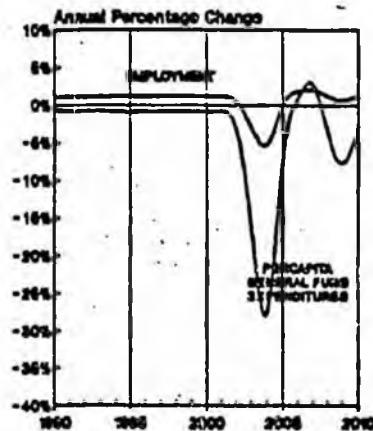


AGENCY    FORMULA  
OTHER    CAPITAL

## ALASKA EMPLOYMENT



## ECONOMIC WELL-BEING

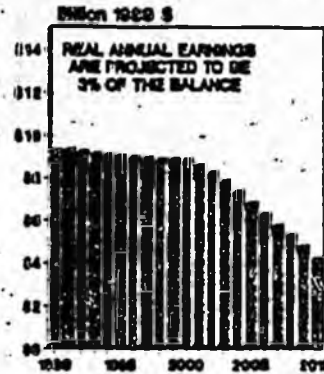


# Fiscal Choice 3: Freeze the Budget

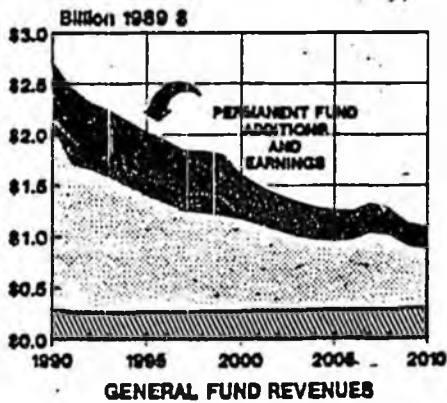
## CASE ASSUMPTIONS

- **SPENDING:** General Fund spending constant in nominal dollars from 1991 to 1998. (The budget declines to a target of \$1.5 billion in 1999)
- **TAXES:** No new taxes
- **DIVIDEND:** Retain Permanent Fund dividend
- **PERMANENT FUND:** Use Permanent Fund principal to maintain spending at targeted level as long as possible
- **OIL PRICE (constant across cases):** Average ANS Gulf Coast oil price \$15 (1989\$)
- **SETTLEMENTS (constant across cases):** \$1.7 billion of oil settlements collected and spent over 10 years

## PERMANENT FUND BALANCE

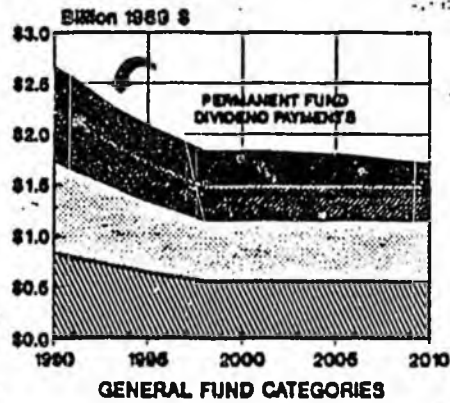


## STATE GOVERNMENT REVENUES (Permanent Fund Included)



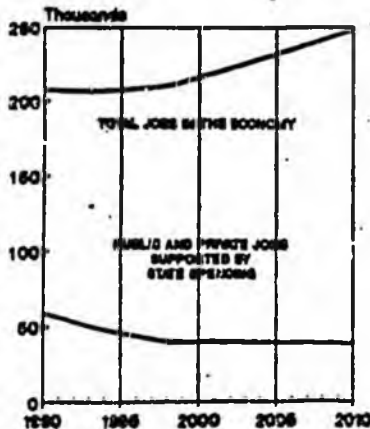
RECURRING OIL  
SETTLEMENTS

## STATE GOVERNMENT EXPENDITURES (Dividend Included)



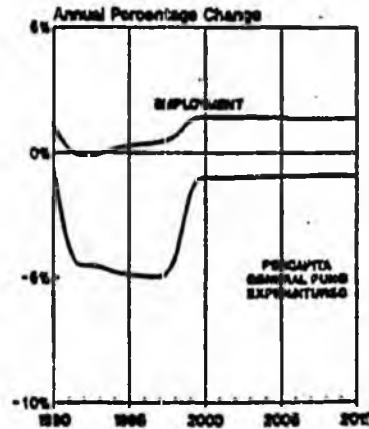
AGENCY OTHER  
FORMULA CAPITAL

## ALASKA EMPLOYMENT



Wage and Salary Employment Only

## ECONOMIC WELL-BEING

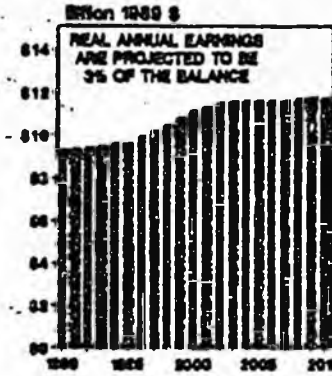


# Fiscal Choice 4: Cut Spending and Raise Taxes

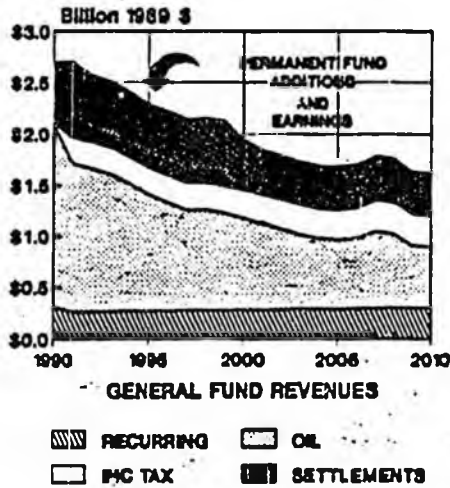
## CASE ASSUMPTIONS

- **SPENDING:** General Fund spending is reduced 2.5% annually (1989\$) from 1991 to 2000. (The budget declines to a target of \$17 billion in 1989\$)
- **TAXES:** Personal income tax reimposed in 1991
- **DIVIDEND:** Permanent Fund dividend eliminated in 1995
- **PERMANENT FUND:** Leave Permanent Fund principal intact, continue contributions, spend earnings reserve account. Appropriate real earnings to General Fund. Use inflation proofing to fill revenue gap.
- **OIL PRICE (constant across cases):** Average AHS Gulf Coast oil price \$15 (1989\$)
- **SETTLEMENTS (constant across cases):** \$1.7 billion of oil settlements collected and spent over 10 year

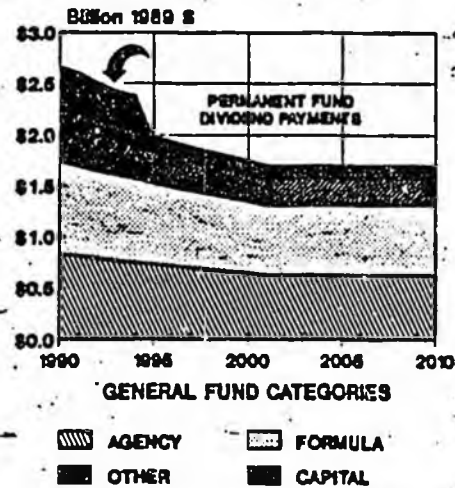
## PERMANENT FUND BALANCE



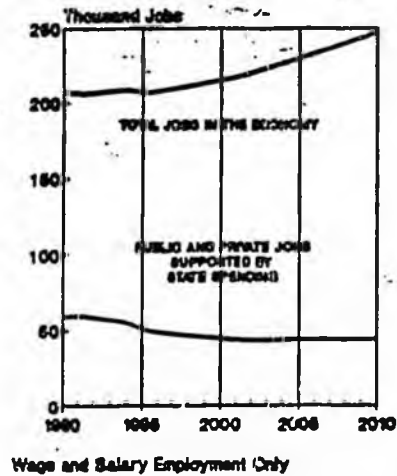
## STATE GOVERNMENT REVENUES (Permanent Fund Included)



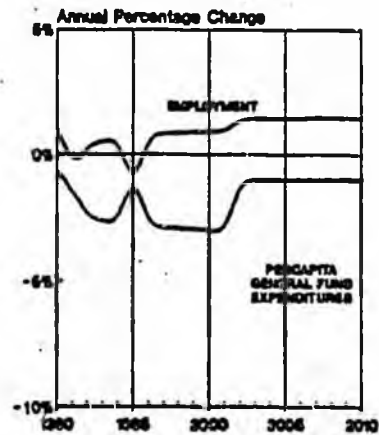
## STATE GOVERNMENT EXPENDITURES (Dividend Included)



## ALASKA EMPLOYMENT



## ECONOMIC WELL-BEING

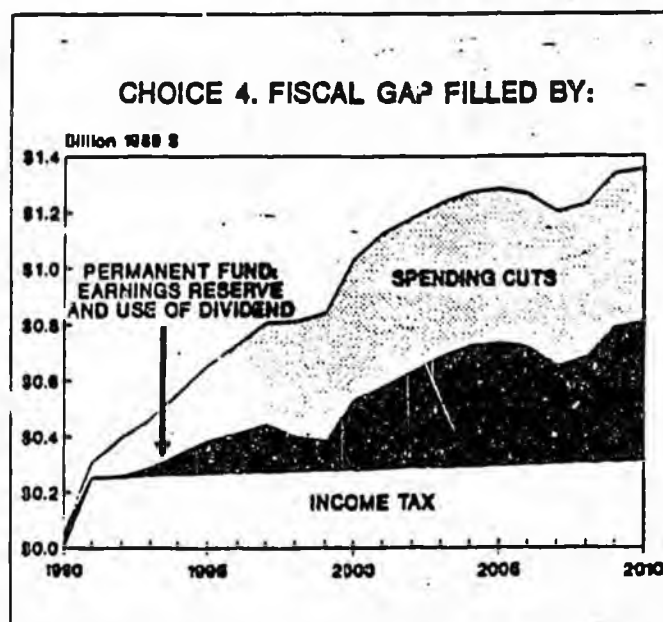


(Text continued from page 6)

**Alaska Employment:** The number of public and private jobs supported by state spending would suffer gradual attrition throughout most of the 1990s, dropping by about 20,000 over the decade. Private industry would be hard pressed to replace those jobs that had been supported by state spending. Total Alaska employment would stagnate until 1995 and only then begin a gradual increase. However, after 2010, when state spending dropped off very abruptly, a shock wave would again travel throughout the economy, eliminating public and private sector jobs and precipitating another recession.

**Economic Well-Being:** There would be little year-to-year change in Alaska employment until the late 1990s. In the following decade, modest growth in the private sector combined with stable public employment would result in small annual increases in employment. Per capita general fund state spending would decline every year for the next two decades, but the drops would be smaller after the 1990s. Again, both per capita state spending and employment would suffer after 2010, when state spending dropped sharply.

#### FISCAL CHOICE 4: CUT SPENDING AND RAISE TAXES



The cumulative budget reductions described in the first three cases, combined with the elimina-

tion of the Permanent Fund in the second and third, may be more than Alaskans are willing to endure. An alternative to those kinds of reductions would be for the state government to use new sources of revenues. The most likely sources are a personal income tax and the earnings of the Permanent Fund that now finance the dividend program. Those two together could contribute \$650 million annually—\$250 million from the income tax and \$400 million from the dividend program—to the general fund. In this scenario, we look at what would happen under one possible combination of these two new revenues. We assume the income tax is reimposed in 1991 and that beginning in 1995 the revenues now used to fund the Permanent Fund dividend program are instead used to supplement general fund revenues.

The state would still need to cut the budget, because at the current level of spending the fiscal gap would soon exceed the \$650 million generated by these new revenue sources. Furthermore, cutting the budget at the same time new revenues were added would distribute the pain between the taxpayers and the beneficiaries of public spending.

Our analysis suggests that the state is spending \$1.2 billion more annually than it can support in the long run, without an income tax (\$800 million in general fund spending and \$400 million in dividends). If we chose to reimpose the income tax and use the earnings of the Permanent Fund to support public spending, sustainable revenues would increase \$650 million annually and \$550 million in non-sustainable spending would remain. Thus the general fund budget would need to be cut to \$1.7 billion—about a 25 percent reduction. In combination with the revenue generating measures, such a budget cut would eliminate the fiscal gap not only in the 1990s but into the following decades as well—and the Permanent Fund would remain intact.

Depending on when the state receives settlements in tax and other disputes, this scenario might require budget cuts in years of increasing revenues. The state would intentionally collect more than it spent—thus setting aside a small balance of settlement reserves to smooth the transition to a smaller budget. Although that might be a rational decision when we consider the projected revenue decline in the later years, the plan would be tough to justify in the short run, particularly in the presence of fluctuating oil

prices. The effects of this fourth scenario are discussed below and shown in the graphs on page 10.

**Permanent Fund:** The principal of the Permanent Fund would grow slowly through the next two decades, with the addition of revenues from petroleum and withdrawals only of real earnings to fund government. The fund would have a continuing capacity to generate real earnings of \$400 million annually that could be used to support public spending. Individual Alaskans would, however, lose their annual dividends in 1995.

**Revenues:** Even with the addition of new revenues from the income tax, total general fund revenues would still fall under this scenario, because the new taxes would not completely offset lost petroleum revenues. But the drop would not be as dramatic as in the other cases—revenues independent of the Permanent Fund would be \$1.5 billion in 2000 and fall to \$1.25 billion in 2005. As noted above, the Permanent Fund would produce about \$400 million in real earnings annually, some of which could be reinvested in early years.

**Expenditures:** Annual budget reductions would continue for 10 years, cutting expenditures by 25 percent over the decade. (If the annual rate of inflation averaged 5 percent, then the budget in nominal dollars would be increasing at 2.5 percent in this case.) These cuts would of course reduce the level of government services, but the reductions would be much more gradual than in the other cases we've looked at. After 2000 expenditures could be maintained at the target level indefinitely.

**Alaska Employment:** About 12,000 public and private jobs supported by general fund spending would disappear as state spending declined. Another 3,000 jobs would be eliminated when the income tax was reimposed and 5,000 more when the dividend program ended. Although the rate of job loss from these government actions over a 10-year period would be gradual, private industry would have to create new jobs at a rate greater than 1.75 percent annually to produce significant total employment growth before 1996.

**Economic Well-Being:** The economy would con-

tract when the income tax was reimposed, and again when the Permanent Fund dividend was eliminated. Reimposition of the income tax would draw purchasing power out of the private economy. Elimination of the Permanent Fund dividend would shift purchasing power from an activity with a high multiplier to one with a lower multiplier—because the money would be spent not by thousands of individuals but by government. Per capita general fund spending would decline in the 1990s, but the loss would be less than in the other cases. In contrast, per capita discretionary income of Alaskans (not shown on the graph) would fall in this case due to the reimposition of the income tax and the elimination of the dividend.

### TRADEOFFS AMONG STRATEGIES

We have described four ways—all of them painful—of dealing with the fiscal gap. In each case the level of public services—both aggregate and per capita—would fall. In each case the private economy would also suffer, since reduced public spending and transfers and increased taxes would mean less buying power. There is no strategy that would close the fiscal gap without creating pain, because the gap can only be filled by taking from somewhere in the economy.

In each case the pain would be distributed among citizens—present and future—in a different way. Those different distributions are the distinguishing features of each strategy. We recognize, of course, that the effects of balancing the budget will vary among individual Alaskans and in different areas of the state. For example, areas where state spending makes up a larger share of economic activity would be harder hit by budget cuts. Similarly, eliminating or reducing Permanent Fund dividends would affect the pocketbooks of low-income Alaskans more than those with higher incomes, while reimposing the personal income tax would have more impact on those with higher incomes. Despite these individual and regional differences, there are broad kinds of tradeoffs all Alaskans will need to consider; some of these are discussed below.

**Present vs. Future Public Spending:** If we spend less of our petroleum wealth now, more will remain for future needs—our own or those of

later generations. Should we discount the needs of the future, because such needs are not easily identifiable or because we think the wealth of future generations is currently underestimated? Or should we weight the needs of the future heavily because new public needs are continually being identified, the population is growing, and we may be overestimating future revenues?

Figure 3 shows state spending levels over the next 20 years under our four choices. All the choices show much lower spending by 2010—but how much we spend along the way varies sharply among the choices. Choice 1 and Choice 2 offer the biggest contrast in spending over the next decade; under Choice 1 we would continue current fiscal policy, using all available reserves except the Permanent Fund, while in Choice 2 we would prop up spending by draining the Permanent Fund. Although spending would obviously be much higher under Choice 2 over the next decade, by 2010 spending under both cases would fall to about the same level—but the Permanent Fund would be gone under Choice 2. Choice 3 also would prop up state spending by using the Permanent Fund, but at a slower rate. Spending under Choice 4 would be highest in 2010—but we would maintain that spending level without drawing on the Permanent Fund principal.

Figure 4 shows how each of our four choices would affect the Permanent Fund, our primary repository of oil wealth. The fund and its earning power would not last long if we opted to use the principal to prop up state spending. In Choice 2, the fund would be used up in 2003; in Choice 3 it would dwindle after the 1990s and be gone by 2015. The fund would increase somewhat under both Choices 1 and 4. But under Choice 1 the fund would be left intact while state spending shrank and the state government and the economy floundered from year to year. Under Choice 4, state spending would be stabilized and the economy would not be jolted by continuing spending cuts over 20 years—but it would be stabilized at the cost of a new personal income tax and the elimination of Permanent Fund dividends.

The most straightforward benefit to the average Alaskan from the Permanent Fund has been the annual dividends paid out of fund earnings. Figure 5 shows how dividend payments would be affected under each of our four choices. Under Choice 1, real dividend payments (in 1989 dol-

lars) to each Alaskan would remain fairly constant over the next 20 years, since population growth would roughly match growth in the amount available for dividends. Under Choice 2, the dividends would shrink over the next decade as the principal of the fund was being drawn down and its earnings reduced; the last dividends would be paid in 2004. The attrition of dividends would be somewhat slower under Choice 3, but the result would be the same: shrinking and then disappearing dividends by 2015. Under Choice 4, the dividend program would end in 1995 and the money that formerly went into that program would be shifted over to the general fund.

To conclude our discussion of spending, we should note that in the past decade the state government has spent part of its oil wealth in ways intended to stimulate future economic growth rather than simply to maintain current programs. Many of these ventures have so far had limited success, and it's outside the scope of this paper to assess their value to the state as investments. But to the extent that the state can use its oil wealth to promote economic growth, that kind of spending should be viewed as investment and distinct from spending that simply creates jobs and income in the present.

**Present vs. Future Economic Activity:** The Alaska recession that followed the "petrodollar boom" of the early 1980s demonstrated that a large portion of the economic activity stimulated by state spending of oil revenues could be sustained only as long as the flow of oil dollars continued. We can continue to spend oil revenues when we receive them, and immediately receive the benefits of the jobs and income produced by that spending. Alternatively, we can postpone spending some of the revenues and receive the economic benefits at some future time. The choice should depend on when those jobs and income will contribute most to the economy and on what we want to save for future generations. Until we make such a choice, the marketplace—essentially the OPEC cartel and the petroleum production cycle—will continue to dictate the booms and busts of our economy.

Figures 6 and 7 show how the number of jobs supported by state spending—including both public and private jobs—and the total number of jobs in Alaska would vary under our four choices. Under Choice 1, the number of jobs supported by

public spending would decline steadily for the next 20 years. Under Choice 2, spending of the Permanent Fund would keep such jobs at about their current level until the fund was exhausted in 2003 — then many jobs would be eliminated quickly, and by 2010 there would be about half as many jobs supported by public spending as there are today. Under Choice 3, which involves more gradual use of the Permanent Fund, the number of jobs created directly and indirectly by state spending would drop somewhat by 2010 — but not shown on the graph is a very sharp drop that would occur after 2010, when the Permanent Fund was depleted. As with the other cases, the number of jobs supported by state spending would also drop under Choice 4, but the decline would be somewhat smaller and the number of such jobs would stabilize after 2000.

How total jobs in the state — including both those supported by public spending and those by private industry — would fare under each of our choices depends largely on the timing of public spending and on whether the Permanent Fund is depleted. We assume in all cases that private industry in Alaska is able to generate new jobs at an average annual rate of 1.75 percent. Under Choice 1, it would take about 10 years for private growth to offset the job loss from reduced public spending. Use of the Permanent Fund would keep the number of jobs growing under Choice 2 — until the fund was used up; then a severe recession would occur. By 2010 Alaska employment would be lowest under Choice 2. Under Choice 3, total jobs would grow slowly but steadily through 2010 — but again, not shown on this graph is a sharp decline in jobs that would happen around 2015. Employment under Choice 4 would be slightly lower than under Choice 3, because in that case spending of the Permanent Fund would not be supporting jobs. However, unlike Choice 3, Choice 4 would not involve a recession in 2015.

**Public vs. Private Consumption:** How much we are able to consume as a state ultimately depends on the productive capacity of our basic industries — petroleum, seafood, tourism, mining, forest products and federal government spending. The split between public and private consumption does not affect this capacity unless government raises taxes so high that private economic incentives are adversely affected. However, the distribution of the benefits does depend

on that split. We have argued that the current rate of consumption can't be sustained (because public spending exceeds sustainable public revenues), but we have not suggested what the proper balance is between public and private consumption. Is public consumption in Alaska too large because of historical accident and because the only constraint on public spending seems to have been the availability of revenues? Or should we increase public consumption relative to private consumption to meet the continuing growth in those needs best served through public action? Do we need a large public sector to balance the dominant economic influence of a single commodity? Or does high public consumption hamper diversification in the private sector?

**Gradual vs. Abrupt Transition:** A gradual transition to a sustainable level of public spending would allow both the public and private sectors to adjust in ways that would minimize the pain from the loss of public services, income, and employment. At the same time, a gradual transition would be very difficult to manage politically and would have a lasting negative psychological effect on the state and population. A quick transition would not leave much time for adjustments and would cause some inefficiencies as public agencies, businesses, and individuals reorganized in the wake of budget cuts. On the other hand, the detrimental psychological effects would be short-lived.

Figure 8 shows the different rates of spending cuts under the four cases. The most drastic would be Choice 2, where state spending would drop by more than half shortly after 2000. Choice 1 would see sharp cuts in the early 1990s and then a continual downward drift for the next 20 years. Choice 3 would result in a fairly stiff drop in the early 1990s followed by relatively stable state spending through 2010 — but then another sharp cut in the next decade. Under Choice 4 we'd see small but steady decreases throughout the 1990s but a leveling off after that.

**Public vs. Private Economic Activity:** Delivering public services requires hiring public employees — teachers, construction workers, office workers — and indirectly generates private employment. Delivering private goods and services requires hiring private employees — clerks, construction workers, office workers. Is the mix

# Comparisons Across Fiscal Choices

Figure 3

STATE GENERAL FUND EXPENDITURES

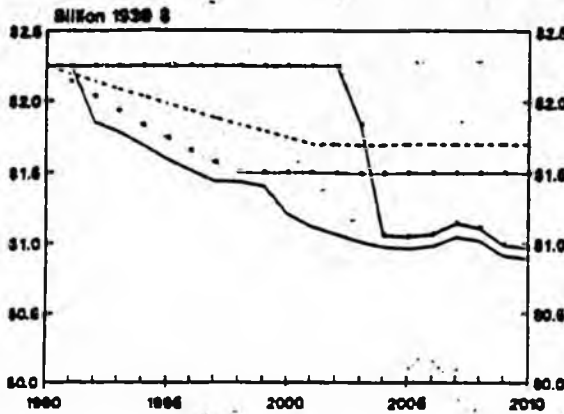


Figure 4

PERMANENT FUND BALANCE

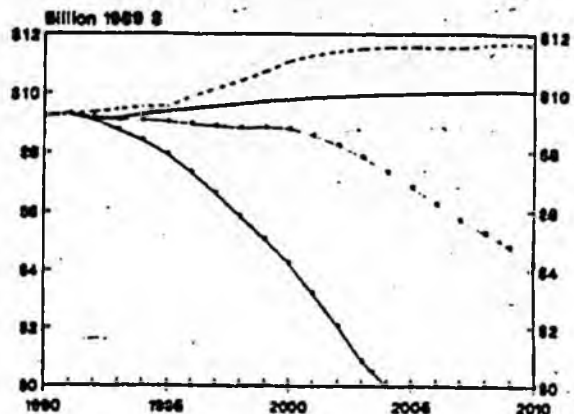


Figure 5

PERMANENT FUND DIVIDEND

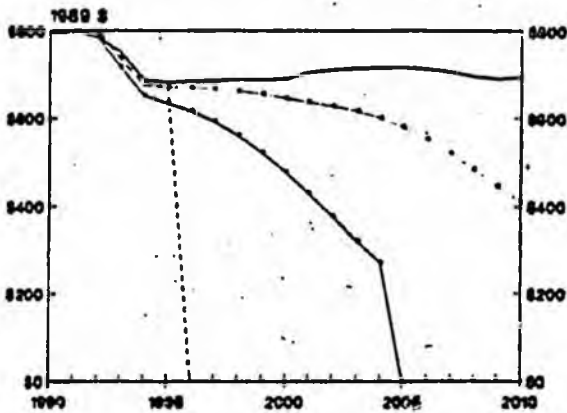


Figure 6

STATE SUPPORTED EMPLOYMENT

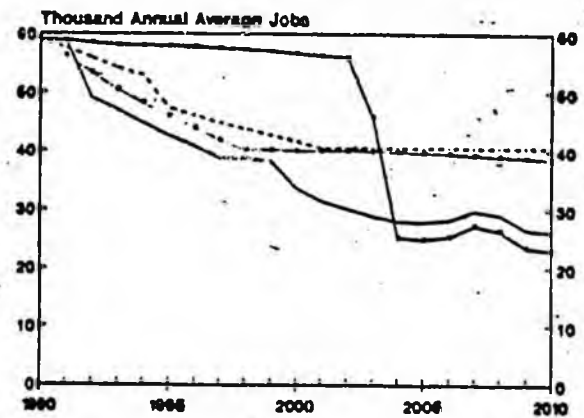


Figure 7

ALASKA WAGE AND SALARY EMPLOYMENT

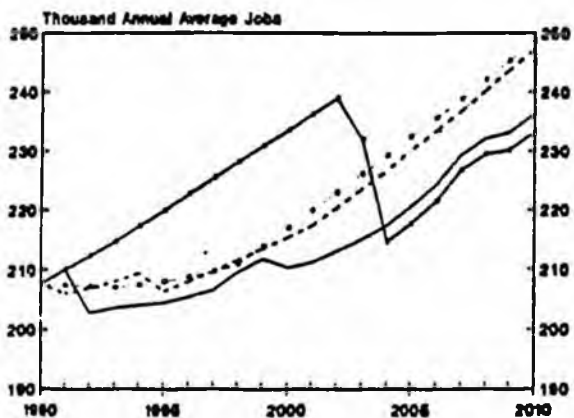
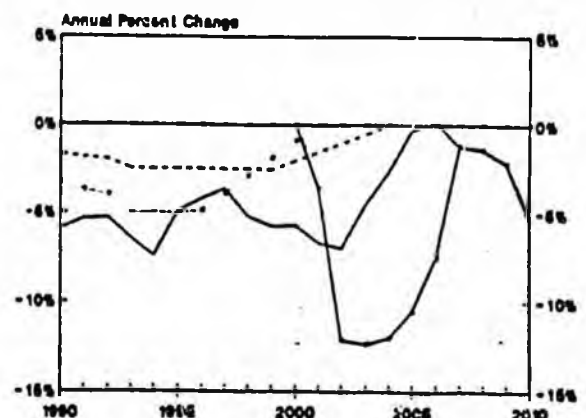


Figure 8

GENERAL FUND SPENDING: YEARLY CHANGE



Values have been smoothed.

SCENARIO

- 1 STUMBLE ALONG
- 2 USE PERMANENT FUND
- - - 3 BUDGET FREEZE
- - - 4 BUDGET CUT & TAXES

of public and private jobs in the economy an important consideration, independent of the mix of goods and services provided?

It would be if the economic multiplier—the capacity of one job to create other jobs—were significantly different for public and private jobs. However, there doesn't seem to be a significant difference between the multiplier effects of public and private jobs, since most of the multiplier effect in the Alaska economy comes from the successive re-spending of income earned as wages and salaries, independent of who writes the checks.

### CONCLUSION: A CALL FOR ACTION

These cases show some of the consequences of four different choices for closing the fiscal gap facing Alaska. As we noted at the outset, we have not assessed the political difficulties of putting budget changes into effect—but of course we recognize that enormous difficulties will accompany any such plan. Further, we don't know whether the assumptions we've used in this analysis will turn out to be accurate. But whether the price of oil is higher or lower than we've assumed, or other circumstances are somewhat

different than we project, Alaska faces a serious fiscal problem. Despite the uncertainties always inherent in planning for the future, this analysis suggests positive action is warranted—and the sooner it is taken the better.

Differences among the four choices demonstrate that we can influence outcomes and change tradeoffs through public choices. For example, we can choose whether the Permanent Fund will be a lasting asset, throwing off income for future generations of Alaskans, or whether we will spend it to get ourselves through the next decade without sacrifice. We can decide on the mix of current versus future spending, total public versus private spending, and when to take the inevitable hit on the economy. With advance warning, we have an opportunity to plan spending reductions in an orderly fashion.

It is clear that what actions to take are political rather than economic decisions. Nonetheless, each decision will have significant economic consequences. Policymakers need information about the implications of different choices to make informed political decisions. Future issues of this series will seek to enlarge the scope of public information to help in this important public debate.

ISER Fiscal Policy Papers  
Institute of Social and Economic Research  
University of Alaska Anchorage  
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3211 Providence Drive  
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FISCAL NOTE

REQUEST:

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 Title: "Proposing amendments to the Constitution...relating to an appropriation limit."  
 Sponsor: Finance Committee  
 Requestor: House Judiciary  
 Agency Affected: Office of the Governor  
 BRU: Office of Management and Budget  
 Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No administrative impact.

Prepared by: Michael A. Nizich, Director Phone: 465-3616  
 Division: Division of Administrative Services Date: 1/31/90  
 Approved by Commissioner: Garrey Peska, Chief of Staff Date: 1/31/90  
 Agency: Office of the Governor

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

# CHART C: FEATURES OF PERCENT-FOR-ART LAWS

This chart reflects statutory provisions of percent-for art laws enacted through April 1, 1984. In many states, administrative agency regulations clarify and supplement the statute.

	Alaska	Colorado	Connecticut	Florida	Guam	Hawaii	Illinois	Iowa	Maine	Massachusetts	Michigan	Minnesota	Montana	Nebraska	New Hampshire	New Jersey	Oregon	Texas	Washington	Wisconsin
PERCENTAGE	1	1	1	.5		1	.5	.5	1	1	1	1	1	1	.5	1.5	2	1	.5	.2
EXPENDITURE	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ADMINISTRATIVE AGENCY																				
BUILDINGS INCLUDED																				
ELIGIBLE ART																				
SELECTION PROCESS																				
TYPES OF ACQUISITIONS																				
CALCULATION & USE OF FUNDS																				
ARTISTS																				
MISCELLANEOUS																				

- Percent of Construction/Remodeling Costs
- Mandatory
- Optional
- State Arts Agency
- Public Works or General Services Dept.
- Finance Department
- Other State Agency
- Specifies Administrative Agency Duties
- New Buildings
- Remodeling Projects
- Existing Buildings
- More Specific Building Types Named
- Law Applies Only When Bldg. Costs Exceed Min.
- Excludes Specific Construction
- Broad Unspecific Definition
- Broad Specific Definition
- No Definition of Art
- Excludes Landscaping, Ornaments
- Established by Statute
- Established by Agency Rules
- Established by Law and Agency
- Unspecified
- Selection Committee Members Named
- Selection Process has Two or More Tiers
- Requires Comment by Public or Bldg. Occupants
- Selection Committee Expenses Reimbursed
- Commissions and Purchases
- Commissions Only
- Unspecified
- State Gets Title to Art
- Specifies Which Project Costs are Included
- Art Funds Allocated for a Specific Project
- Art Funds May be Used for Other Buildings
- Private and/or Federal Funds May be Used
- Priority to State's Artists
- Artists Retain Specific Rights
- Expresses Legislative Intent
- Public Display of Art Required
- Addresses Maintenance/Repair
- Art May be Displayed in Other Buildings
- Authorizes Administrative Agency Regulations

Note: New Jersey's law allows up to 1 1/2 %

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STATE OF ALASKA  
 PERCENT FOR ART PROGRAM  
 PROJECT INVENTORY  
 August 26, 1988

Location/Building	Artist	Title	Medium	Date*	Cost
<u>Alaska Marine Highway</u>					
M/V Matanuska (ferry)	various	collected works			\$ 10,000
M/V Taku	various	collected works			14,000
<u>Anchorage</u>					
Alaska State Troopers	Liza Halvorsen, Seattle, WA	<u>Testing the Waters</u>	ceramic relief	FY84	9,500
Anchorage HQ	Karen Michel McPherson, Fairbanks	<u>Point Hope Dogyard</u>	cibachrome print	FY84 (total for	all)
	Jay Kohn, Langley, WA	<u>Brower's Cafe</u>	cibachrome print	FY84	
	Gail Neibrugge, Glennallen	<u>Leaf Dancer</u>	oil on canvas	FY84	
		<u>Race Day</u>	ink/acrylic on on paper	FY84	
	James Schoppert, Carnation, WA	<u>Of Wolves That Travel</u>	alder mask, carved & painted	FY84	
	Jennifer Bellinger, Ketchum, Idaho, (formerly Ketchikan)	<u>Canada Geese</u>	batik	FY84	
	Nancy Taylor Stonington, Ketchum, Idaho	<u>Alaska Pinks</u>	stone lithograph	FY84	
	Pat Fridley, Anchorage	<u>Silent Passage</u>	stone lithograph	FY84	
		<u>Reflections at the Lake</u>	watercolor on paper	FY84	
	Michael Schlicting, Neskowin, Oregon	<u>On The Docks</u>	watercolor on paper	FY84	

\*FY83a = awarded, FY83 = installed

*- 55% of dollars awarded to artists  
 outside state -  
 1000 1000 1000 outside state*

Location/Building	Artist	Title	Medium	Date*	Cost
Anchorage Community College					
Aviation Complex	O. B. Simonis, Portland	<u>Celestial Accord</u>	sculpture, stainless steel	FY83	30,000
	Jo Walters, Oakland, CA	Untitled	acrylic on canvas	FY82	10,000
	Bruce Johnson, Cazadero, CA	<u>Prop</u>	stainless steel mobile	FY82	10,000
Building C	Brigitte Cooper, Palmer	<u>Totem for an Unbuilt City</u>	fiber	FY81	4,000
	Al Tennant, Anchorage	Untitled	wall relief, ceramic and stainless steel	FY81	2,000
ACC Applied Health Science Building	Percent for Art funds lapsed back to State's General Fund, Fall, 1986				38,000
* Anchorage Courthouse	Selection committee appointed--project underway, 3/88.				
Anchorage Int'l Airport Domestic Terminal	John Henry, Miami, Florida	<u>Anchorage</u>	hanging sculpture	FY85	80,000
	Alvin Amason, Kodiak/Calif.	<u>Welcome to My World</u>	oil painting	FY86	40,000
	Leon Anderson, Anchorage	<u>Potters Marsh</u>	oil painting	FY86	19,265
	Frank McGuire, Warrensville, Ohio	<u>Shoeshine Shop</u>	sculpture, functional steel	FY86	27,000
	Charles Ross, New York City	Untitled	sculpture, prismatic	FY88	130,000

Location/Building	Artist	Title	Medium	Date*	Cost
Anchorage Int'l Airport Int'l Terminal	Gary Marx, Anchorage	<u>Descending Flight</u> <u>Plane</u>	sculpture	FY82	46,000
	Seth Seiderman, San Francisco, CA	Untitled	sculpture	FY82	46,000
	Dana Boussard, Montana	Untitled	fiber/applique wall pieces/series	FY82	46,000
North Terminal & Parking Garage	Selection process underway - Spring, 1987				200,000
Anchorage Oil & Gas Addition	Marvin Mangus, Anchorage		painting		3,950
Cook Inlet Pre-Trial Facility	Alex Duff Combs, Halibut Cove	Untitled	ceramic sculptures	FY83	55,000
	Clark Mishler, Anchorage/ Mark Hoffman, Seattle	Untitled	wall graphics	FY83	30,000
	Michelle Corder, Anchorage Michael Sheppard, Soldotna	<u>Chugach Theme</u>	ceramic relief	FY83	30,000
Fort Richardson Fish Hatchery Pioneer Home Nursing Wing	Keith Appel, Anchorage	<u>Quiet Home Reunion</u>	limestone relief	FY83	18,000
	Jim Schoppert, Carnation, WA	<u>Big Sky Salmon</u>	carved panels	FY85	20,000
	Jeanne Leffingwell, Anchorage	<u>Fireweed</u>	fiber	FY83	15,000
	Gail Parsons, Homer	<u>Wildflowers</u>	painting	FY83	15,000
	Charlotte Van Zant, Fairbanks	Untitled	tapestry	FY83	10,000
	Michael Kennedy, Seattle (né Fairbanks)	<u>The Hunt</u>	stained glass	FY83	10,000
	Victor Hiles, Homer	<u>Bore Tide</u>	wood panels	FY83	10,000

Location/Building	Artist	Title	Medium	Date*	Cost
	Tony Rubey, Anchorage	<u>Camera Obscura</u>	lithograph series	FY84	10,000
	Portable works collection:				(Total:**7,700)
	Susan Ogle, Anchorage	<u>Larsen Bay Wishing</u>	oil on canvas	FY83	700
	Marjorie Leavens, Anchorage	<u>Alaskans</u>	watercolor	FY83	395
		<u>Unilena's Springtime</u>	watercolor	FY83	395
	Nancy Taylor Stonington, Ketchum, Idaho	<u>Autumn Afternoon</u>	watercolor	FY83	550
	Arthur Higgins, Wasilla	<u>Palmer Fishhook</u>	watercolor	FY83	300
	Clark Mishler, Anchorage	<u>Kennecott Mines,</u> <u>Alaska</u>	photo	FY83	
	Ed Nolde, Anchorage	<u>Sail Series No. 1</u>	watercolor	FY83	450
	Janis Carty Neill, Eagle River	<u>Kennecott Copper Mine</u>	watercolor	FY83	575
		<u>Independence Mine</u>	watercolor	FY83	475
	Marvin Mangus, Anchorage	<u>Ship Creek, Anchorage</u>	acrylic on canvas	FY83	825
	Lynn Saupe, Kodiak	<u>Russian Christmas</u>	oil painting	FY83	400
	M A Mullins, Anchorage	<u>Malemute Leader</u>	pastel drawing	FY83	625
		<u>Majestic Summer</u>	oil	FY83	685
	Gary Lyon, Homer	<u>Willow Ptarmigan</u>	stone lithograph	FY83	275

\*\*When totalling figures use the \$7,700 figure, not the individual prices on the portable works collection.\*\*

Statewide Forensic Laboratory	Charles Parks Wilmington, Delaware	<u>A Friend</u>	cast bronze figure	FY86	27,000
University of Alaska Classroom/Office Building	Larry Kirkland, Portland, OR Joan Kimura, Anchorage	<u>SERAC</u> Untitled	hanging sculpture painting	FY82	30,000 8,000

FROM B&amp;B Leasing Saa.

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Location/Building	Artist	Title	Medium	Date*	Cost
Health Occupations	Harold Balazs, Mead, WA	Untitled	enamel on steel	1980	6,500
Student Center	William Kimura, Anchorage	Untitled	fountain sculpture	1980	25,000
UAA Admin/Classroom Bldg	Portable works collection:	(Total \$28,550 listed below)			
	Celia Carl Anderson, Eagle River	<u>Spirit Wall</u>	batik	FY85	4,500
	Joseph Senungetuk, Anchorage	<u>Elder's Wisdom</u>		FY85	1,350
		<u>Joe's Undersee World</u>	wood block print	FY85	500
	Ann Belov, Seattle, WA	Untitled	pencil	FY85	700
	Daniel DeRoux, Juneau	<u>Molo Hunters</u>	acrylic	FY85	1,250
		<u>Bering's Nose is Baranoff</u>	acrylic	FY85	1,000
	Dot Bardarson, Seward	<u>Aleutian Windgrass</u>	watercolor	FY85	500
		<u>Alaska Flashback</u>	watercolor	FY85	600
		<u>Windrushes</u>	watercolor	FY85	500
	Carol Nordoren, Golden Bridge, New York	<u>Rockface</u>	oil	FY85	1,600
		<u>Slope Wash</u>	oil	FY85	1,200
		<u>Rock Fall</u>	oil	FY85	1,600
UAA Admin/Classroom Bldg (continued)	M. W. Lindenmeyer, Portland, Oregon	<u>Driven Sideways</u>	watercolor	FY85	750
	Linda Larsen, Sitka	<u>Opening</u>	oil	FY85	1,000
	Angie Dixon, Seattle, WA	<u>Puffins</u>	ink on rice paper	FY85	300
		<u>Spaghetti Penguins</u>	ink on rice paper	FY85	400
	Andy Kane	Untitled	pastel	FY85	820
	Peggy Conklin, Seattle, WA	<u>Earth Dream #10</u>	handcast fiber	FY85	2,150
	Ginnie Porter, Pelican	<u>Chicadees</u>	wood cut	FY85	65
		<u>Seals on Ice</u>	wood cut	FY85	95

<u>Location/Building</u>	<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Date*</u>	<u>Cost</u>
	Gail Niebrugge, Glennallen	<u>Race Day</u>	acrylic	FY85	300
		<u>Backyards of McCarthy</u>	acrylic	FY85	1,500
	Nancy Taylor Stonington, Ketchum, Idaho	<u>Salmon River</u>	watercolor	FY85	3,500
		<u>Headwaters</u>			
		<u>Standing Water,</u>	watercolor	FY85	950
		<u>Garden Valley, Idaho</u>			
	Betty B. Atkinson, Anchorage	<u>Antiquities Treasure</u>	acrylic	FY85	600
	Tony Rubey, Anchorage	<u>Points to Consider</u>	color lithograph	FY85	500
	Sharon Scramstad Merrell, Anchorage	<u>Fish</u>	collagraph & etching	FY85	225
	Armond Kirschbaum, Anchorage	<u>Columbia Glacier</u>	lithograph	FY85	95
		Percent for Art funds lapsed back to State's General Fund, Fall, 1986			50,761
UAA/ACC Bookstore		Percent for Art funds lapsed back to State's General Fund, Fall, 1986			40,000
UAA/ACC Student Housing		Percent for Art funds lapsed back to State's General Fund, Fall, 1986			107,915
UAA Arts Classroom/ Office/Lab Bldg		Percent for Art funds lapsed back to State's General Fund, Fall, 1986			210,000

Bethel

Kuskokwim Community College	Lynn Wiley, Kenai	Untitled	enamel on plywood, exterior mural		10,000
Yukon Kuskokwim Correctional Facility	Kay Hendrickson, Bethel Myron Wright, Anchorage	Yupik dance stick panoramic photographs of 3 Kuskokwim River villages	wood, carved/painted	FY85 FY85	900 3,893

FROM B&B Leasing Sea. 03/13/89 09:13 P. 8

<u>Location/Building</u>	<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Date*</u>	<u>Cost</u>
	Charlotte Van Zant, Fairbanks	<u>The Girl Who Became a Swan</u>	tapestry	FY86	20,000
	Gail Van Slyke, Anchorage	<u>Woven Pleats</u>	tapestry	FY85	1,500
	Leon Anderson, Anchorage	<u>Cloud Break: Bethel</u>	oil painting	FY86	1,853
	Robert Pfitzenmeier, Anchorage & Joe Senungetuk, Anchorage	<u>Sedna Ascending</u>	sculpture	FY87	25,000
<u>Delta</u>					
Delta Rural Extension Center	Carolyn Strand, Anchorage	Untitled	fiber	1981	7,000
<u>Dillingham</u>					
Bristol Bay Rural Education Center	Michael Kennedy, Seattle (né Fairbanks)	<u>Bountiful Harvest</u>	stained glass	FY84	4,200
<u>Eagle River</u>					
Alaska Women's Facility	Jeanne Leffingwell, Anchorage	<u>Parrotgrass</u>	fiber	FY83	8,000
	Karen Jenkins Olanna, Shishmaref	Untitled	bronze	FY83	10,000
	Arthur Higgins, Wasilla	<u>Mountain Pod</u>	sculpture, welded aluminum	FY83	10,000
Hiland Mountain Correctional Center	Celia Carl Anderson, Eagle River	<u>An Eagle's View</u>	batik assemblage	FY84	17,500
	Lorraine Alba, Anchorage	Untitled	fiber assemblage	FY84	5,000

FROM B&B Leasing Saa. 03/13/89 09:20 P. 9

Location/Building	Artist	Title	Medium	Date*	Cost
	Ike Hay, Pennsylvania	<u>Sunrise Four</u>	wall relief, fabricated aluminum	FY84	12,400
	Keith Appel, Anchorage	<u>Artesian Flow and Strata-G</u>	porcelain enamel on steel panels	FY84	7,500
<u>Fairbanks</u>					
Fairbanks Int'l Airport					
Customs Addition	Polly Lee, Petersburg	<u>Sky with Cumulus</u>	ceramic tile	FY82	5,000
	Jane Brodrick, Fairbanks	<u>Numivak</u>	acrylic on canvas		5,000
Airport Expansion	Ron Klein, Juneau	Untitled	photomural, panoramic circuit camera	FY84	27,000
Int'l Airport					
	Charlotte Van Zant, Fairbanks	<u>Tanana Flight</u>	mixed fibers	FY81	8,000
	Jeanne Leffingwell, Anchorage	<u>Crossing the Tanana and Tributaries</u>	fiber applique panels	FY81	4,000
	Tony Rubey, Hawaii (formerly Anchorage)	Various	photolithographs suite of 8	FY88	15,000
Airport	Robert Behrens, St. Louis, MO	<u>Solar Borealis</u>	sculpture, fabricated steel	FY85	107,000
Fairbanks Correctional Center Expansion					
	Melvin Olanna, Shishmaref	Untitled	sculpture, exterior cast bronze	FY84	30,000
	Carolyn Strand, Anchorage	<u>Guardians of the Far North</u>	tufted fiber	FY85	10,000
	Kay Slusarenko, Lake Oswego, Oregon	<u>Past, Present, Future</u>	wall panels, painted	FY84	15,000

Location/Building	Artist	Title	Medium	Date*	Cost
Fairbanks Mental Health Center	RFP deadline 5/31/88; finalists selected as follows.				
Denardo Center	Julie Matthews, Anchorage	(finalist)	sculpture, exterior		20,000
	Art Higgins, Wasilla/Oregon	(finalist)			
	Kenneth Spiering, Spokane, WA	(finalist)			
Fahrenkamp Center	Guillermo Granizo, California	(finalist)	wall piece		4,000
	Celia Carl Anderson, Eagle River	(finalist)	fibre, suspended		12,000
Dept of Natural Resources Land & Water Mgmt Bldg	Preliminary discussion phase 2/88				22,000
Fairbanks Public Safety Building	Gerald Conaway, Anchorage	Untitled	sculpture, aluminum	FY81	25,000
	Dot Bardarson, Seward	Untitled	watercolor series(4)	FY81	5,000
	William Kimura, Anchorage	Untitled	acrylic on canvas series (4)	FY81	5,000
	Fairbanks artists (no list on file)	portable works collection		FY81	5,000
Fairbanks Youth Facility	Charlotte Van Zant, Fairbanks	<u>Willow Sun</u>	tapestry	FY83	6,000
	Robert Harper, Bothell, WA	<u>Salmon Spawning</u>	wood/copper relief	FY82	6,000
	James Schoppert, Carnation, Wa	<u>Popsicles</u>	cedar relief	FY82	3,500
	Jennifer Bellinger, Ketchum, Idaho (formerly Ketchikan)	<u>Golden Plovers</u> and <u>Tranquil Geese</u>	batik panels	FY82	2,400
	Portable works collection by Fairbanks artists			FY82	2,500
	Bill FitzGibbons, Anchorage	<u>North Star Time Capsule</u>	site specific earthwork/marble	FY88	26,000

STATE OF ALASKA  
 PERCENT FOR ART PROGRAM FOR SCHOOLS  
 PROJECT INVENTORY  
 August 9, 1988

Location/Building	Artist	Title	Medium	Date*	Cost
<u>Adak Region School Dist. (C.3.2.K)</u>					
District Central Office	Joanna P. Veerman,		oil		450
	Joanna P. Veerman,		oil		350
Bob Reeve High School	Charles Gause,				150
	Joanna P. Veerman,			1980	350
	Joe Kunnuk, Nome	walrus rookery	carved ivory	1979	72
	Charles Gause,			1975	105
	Joanna P. Veerman,			1980	400
	Charles Gause,			1980	150
	Charles Gause,			1977	120
Ann C. Stevens Elem.	Joanna Veerman,			1980	195
	Artist unknown	muskox, 2"x3"	carved ivory		54
	Jayne Martin (purchased from)	skin-faced doll in	skin, fiber		300
		ceremonial raincoat			1
	Joan Kickbush,	(three paintings)	oil		750
	Gary Lyons, Homer	2 whales in walnut frame		1977	120
	Gary Lyons, Homer	7 killer whales " "		1978	120
	Gary Lyons, Homer	2 sperm whales " "		1978	120
Gary Lyons, Homer	Bowhead whale		1977	120	

Jean Matayas,		pastel	1980	350
Bill Cross,		acrylic	1980	275
Scot McDaniel, Anchorage	painting	oil		725
Artist unknown	duck, native carved	ivory		41
Bobby Koezuna	Three eskimo dancers	ivory, rock	1980	126
Gidean K.	polar bear and cub	ivory		72
Artist unknown	mask, 7"	whale bone		112
purchased from Juneau Lil's Gifted Emporium	mask, 13"	caribou		53
Artist unknown	goose, 4" tall	ivory		81
Bobby Koezuna	Alaskan king crab	ivory		112
Paul Omiak	seal	ivory, baleen		41
Keith Appel, Anchorage		acrylic		275
Joanna Veerman				225
Willie Marks	mask	painted wood		158
Willie Marks	<u>Thlinget Mask</u>			70
Lydia Dirks	basket	fiber		200

Alaska Gateway REAA (C.3.2.M)

Eagle

High School	\$3,190 avail 4/80
Multipurpose	\$3,400 avail 2/79; 10/79 sign to be chiseled
Voc Ed	\$1,098 avail 4/80

Mentasta N.C. \$453 avail 3/79

Northway

Addition	\$4,900 avail 4/80				
High School	\$4,700 avail 2/79; 10/79 4'x4' oil purchased				
Walter Northway Sch	Robert Parrish, Juneau	Untitled	mural	1985	7,500
Tanacross	\$2,480 avail 4/80				
Gymnasium	Leonard Brean	unknown	photos, color (4) 4'x5'	1983	?
Tetlin	Yvonne John, Tetlin, AK	<u>Beaded Eagles</u> Set of 3	Beads on Mooseskin	1987	248
	Titus David, Tetlin, AK	<u>Dog Sled</u>	Wood dog sled	1987	350
	Emma Titus, Athabascan	gun case	moosehide/beads	1987	200
		native mocassins	mooseskin/beaver/bds	1987	80
	Jessie Mark, Athabascan	moccasins	moosehide/beads	1987	80
	Stella Sam, Athabascan	dance strap	beadwork	1987	250
Tok					
Upgrade	\$2,300 avail 3/79; 6/80 possible waiver-roof repair				
Elementary Sch	\$5,039 avail 5/80				
	Gail Neibrugge, Glennallen	<u>Tok Life</u>	acrylic/(3) panels 2-1/2'x4'		
<u>Aleutian Region School (C.3.2.P)</u>					
<u>District</u>					
Akutan	Gary Lyon, Homer (AIS)		mural, acrylic/ canvas	1987	4,337
Atka	\$9,193 avail 12/83				
Dick Bower School	Lorraine Alba, Anchorage	check 1 $\frac{1}{2}$ - AIS residency		1986a	6,800+

Cold Bay \$6,513 avail 12/83

Nelson Lagoon School Nancy Taylor Stonington, Anchorage/Idaho  
\$5,793 avail 12/83  
Untitled carpet mural FY85a 9,800

Annette Islands School Dist. (C.3.2.MM)

Metakatla

Lepquinum Recreation- Deborah Frasier, Penland, NC Seven banners 1983a 7,100  
Vocational Building David Boxley, Metlakatla 12' totem pole 1983a 9,800  
(base cost \$4,100)  
Jack Hudson, Metakatla eagle, 6'X6' red cedar relief 3,600  
Junior High School Jack Hudson, Metakatla killer whale, 6'x6' red cedar relief 3,600

Wrangell % announcements sent 6/23/82

Bering Strait School Dist. (C.3.2.L)

District Office Bldg Florence Melewotuk, painting, seal skin 1970 8,500  
Brevig Mission High Sch Reggie Barr, Two seal skin drwgs drawing on skin 1982 500  
Delberg Seetot, " " " " " " " 1982 500  
Judy Pelewouk, wall mural 1982 4,475  
David Rosenthal, Cordova check 1½-AIS residency  
Diomedes High School Ralph Kowchee Unknown oil (4) 1984 5,975

Elim High School.	Dorothy Francis,	lithograph	1982	265
	" "	"	1982	135
	" "	"	1982	135
	" "	"	1982	175
	" "	"	1982	175
	Carolee Pollock,	lithograph	1982	85
	Ken Lisbourne	painting, oil	1982	210
	Ken Lisbourne	painting, oil	1982	210
	Ronilee Lynch,	print	1982	195
	" "	print	1982	195
	" "	print	1982	185
	" "	print	1982	165
	Nancy Taylor Stonington,	print	1982	54
	Ketchum, ID			
	Kimura, Anchorage	print	1982	137
	Stedman,	print	1982	106
	St. Amand,	print	1982	88
	Ellis,	print	1982	111
	Lavalee,	print	1982	79
	Pitcher	print	1982	169
	"	print	1982	140
	"	print	1982	111
	Birdsall, Anchorage	print	1982	84
	Lisbourne,	print	1982	59
	Lavalee,	print	1982	99
	Lisbourne,	print	1982	59
	Bill C. Ray, Jr., Juneau	painting, oil	1982	1,240

Gambell High School	Bert Oozevaseuk,	walrus tusks mount		1982	4,600
Golovin High School	Richard Nassuk,	2 village scenes	drawings	1982	600
	Moses Wassilie, Anchorage	Two acrylic paintings	paintings, acrylic		2,300
	Ralph Kowchce	portrait		1982	1,000
Koyuk High School	Richard Nassuk,		ink drawing	1982	400
	Moses Wassilie, Anchorage	8 portraits of elders		1983	6,698
		elders			
St. Michael High School	Elia Abruska,	9 wooden Eskimo masks		1982	5,280
Savoonga High School	Judy Pelowouck,		mural	1983	3,130
Shaktoolik High School	Rie Munoz, Juneau	Three paintings	painting	1983	4,430
Shishmaref High School	Karen Olanna, Sequamish, WA	Unknown	oil (16'x18')	1984	7,050
Stebbins High School	Rita Johnson,	Quspaq		1982	75
	Andrew Foxiw,	Fish trap		1982	300
	Winifred Otten,	Pupuaq container		1982	300
	Anna Kirk,	Grass basket		1982	150
	Dorothy Rivers,	Grass Basket		1982	150
	Oswald Washington,	Oluaq		1982	100
	Margaret Marlin,	Seal skin etching		1982	1,000
	Lewis Steve,	Eskimo Drum &		1982	700
	Marie Pete,	Seal Skin boots		1982	150
		Dance Stick			

	Minnie Katcheak,	Grass basket	1982	150
	Peter Martin,	Eskimo dance mask	1982	300
	Charlie Steve,	Eskimo Mask		300
	Christie Steve,	Bleached seal skin	1982	150
	Charlie Steve,	Skin boat	1982	1,500
	Alice Pete,	Intestine rain coat	1982	1,000
	Xavier Pete,	Bow and Arrow	1982	200
Teller	Russel Soolook,	Ivory bear	1982	300
James C. Isabell Sch	Peter Kakaruk,	fish trap	1982	600
	Sarah Kakaruk,	Seal Skin Dog	1982	125
	James Okpealuk,	Ivory Caribou & Moose	1982	350
	Roger Menadelook,	Ivory Walrus	1982	125
	Justina Kunayak,	Tableau/Woman	1982	500
		Scraping Skins		
	Sophie Okpealuk,	Large Skin Medicine	1982	125
		Ball		Fr
	Frank Miller,	Scrimshaw tusk	1982	800
	Alvin Koyoukpuk,	Ivory birds	1982	500
	Frank Topsekok,	Ivory necklace	1982	170
	Alvin Topsekok,	Ivory cribbage board	1982	200
	Margaret Soolook	Ivory pickle forks		175
	Theresa Soolook,	Seal Skin Medicine	1982	125
		Ball		1
	Marie Omiak,	Eskimo Doll and	1982	150
		Ball		
	Andrew J. Kunayak, Sr.	Ivory Bears with		200
		Seal on Base		

	James Omiak	Ivory necklace		1982	250
	Sig Wein Omiak,	Ivory head necklace		1982	200
	Jim Pushruk,	Ivory Engraved Pin		1982	100
		Cushion			
	Cecilia Topsekok,	Seal Skin Mittens,		1982	80
White Mountain	Moses Wassilie, Anchorage	Two portraits of local elders	acrylic (2)	1983	2,270
White Mountain High Sch	Ralph Kowchee,	Seal skin drawing	drawing	1982	1,000

Bristol Bay Borough (C.3.2.MM)

Naknek	RFP mailed 6/27/83 - deadline 10/31/83 - \$10,000 - large wall area				
Elementary Classrm	Bruce Anderson, Naknek	<u>Diamond M</u>	photograph, color	1984	75
	Dick Sellers, King Salmon	<u>Fox</u>	photograph, color	1984	125
Elementary Foyer	Heidi Hammond, Sacramento, CA	<u>Photo Essay of the Fishing Industry</u>	photographs, b/w (19)	1984	4,000
Elementary Wing	Louis Gwartney, King Salmon	<u>Sun Dogs Over King Salmon</u>	photographs, color	1984	320
		<u>Volcano Near Becharof</u>			
		<u>Parka Squirrel</u>			
		<u>Bear with a Salmon</u>			
	Camille Hill, Naknek	<u>Bears &amp; Their Business</u>	color pencil	1984	35
	Drew Van Fossen, Iliamna	<u>Getting Ready for Reds</u>	charcoal	1984	65

		<u>Whistling Swans</u>	watercolor/pencil	1984	250
	Rita Vidal, Naknek	<u>Net Picking</u>	acrylic & oil	1984	275
		<u>Russian Orthodox</u>	acrylic & oil	1984	175
		<u>Church</u>			
Principal's Offices	Karen Wilk, King Salmon	<u>Brown Bears</u>	acrylic painting	1984	400
	Kevin Cook, King Salmon	<u>Mountain Mist</u>	wood inlay	1984	60
	Joyce Reynolds, King Salmon	<u>Red Fish</u>	stained glass	1984	175
	Drew Van Fossen, Iliamna	<u>The Spotter</u>	watercolor/pencil	1984	550
		<u>Moose Studies</u>	watercolor	1984	400
	Karen Wilk, King Salmon	<u>Flight of the</u>	acrylic painting	1984	395
		<u>Sockeye</u>			
Secondary Wing Supt Office	Steve Lanigan, King Salmon	<u>Morning Stretch</u>	pencil	1984	300
	Jeanne Phillips, Wasilla	<u>Russian Orthodox</u>	stained glass	1984	300
		<u>Church</u>			
South Naknek Library/ Auditorium	Drew Van Fossen, Missoula, MT	<u>Salmon, The Way of</u>	mural, pastel/ acrylic		12,700
		<u>Life</u>			
	No projects confirmed to date				
<u>Chatham Schools (C.3.2.II)</u>					
Angoon School	Wayne Price, Haines	<u>Eagle, Raven</u>	relief	1983	10,000
	Gennie Gamble, Angoon & Jackie Kookesh, Angoon	<u>Eagle</u>	mural	1983	4,800
Gustavus	Robert Stout, Anchorage (AIS)		mural, 8'x8'	1983	3,800
	Carole Baker, Gustavus		watercolor	1983	300

	Kathy Borner,, Gustavus		susp stained glass	1983	500
Klukwan	Gershon & Kerry Cohen		mural, ceramic	1987	8,000
	Teri Bastable		painting	1986	1,000
	Carl John		carvings	1986	500
<u>Chugach Schools (C.3.2.AA)</u>					
Tatitlek Community Sch	George Vlastos		wall graphics	1985	3,200
Whittier Community Sch	Huong, Kodiak	<u>Whittier, Alaska</u>	mural/acrylic/wood	1982	5,600
<u>Copper River REAA (C.3.2.T)</u>					
Chistochina School	Michael Kennedy, Seattle	Untitled	stained glass window	1986	2,300
Copper Center Elem	\$4,386 avail 1/81				
Gakona School	\$1,904 avail, 4/86 DOTPF close, return \$ to school district?				
Kenny Lake H.S.	\$1,295 avail 5/80				
<u>Cordova Schools (C.3.2.H)</u>					
Cordova City Schools	\$4,997 avail 12/3/70				
Cordova Jr/Sr High	Ted Blaylock	<u>Otter Creek Cabins</u>	acrylic	k80-82?	1,400
		<u>Three Whistlers</u>	acrylic		650
	H. Goodale, Eagle River	<u>Cow's Calf</u>	oil	1979	1,500

Scott McDaniel, Anchorage	<u>Moonlight Harbor</u>	oil		795
Ernie Robertson	<u>Sunset</u>	oil	1981	650

Craig City Schools (C.3.2.X)

Craig Elementary School	Patty Bipus, Todd Lance, Jennifer Bellinger, Ketchum, ID		photographic mural 1983	6,600
			faceted glass panel 1983	6,800
			batik whales 1983	6,600
Secondary - Gym	Doug Hudson (selected 9/16/80 note) \$4,334 avail 11/79 + 11,185 avail 9/80 = \$15,519?			

Delta/Greely REAA (C.3.2.R)

Delta School	Caryl Strom, Anchorage		mural	1980	5,900+
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Delta Voc/Ed	\$1,500 avail RFP deadline 4/25/86 - drawing 2'x4'				
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Fort Greeley	\$16,000 avail RFP deadline 4/25/86 - fibre/wall min 6'x12'				
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Dillingham City School Dist. (C.3.2.Y)

Dillingham Elementary	Julie Matthews, Anchorage	Untitled	wall mural, ceramic tile	1983	7,000
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	Michelle Griffoul, California	Untitled	wall mural, ceramic tile	1983	10,000
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Dillingham High School	Sam Fox, (deceased)	Rectangular wall pc	wood & ivory carving	1983	10,200
New gym		w/beaver mask			

(Also, SW Region REAA)

Phase I and II

Renovation . (work not commissioned to date)

Multipurpose room	Gary Lyons, Homer	<u>Wildlife of the Nushagak</u>	acrylic mural	1987a	\$9,000
Dillingham Middle/High School	Louise Kodis, Spokane, WA	<u>Color Flux Festival</u>	nylon mobile	FY85	5,000
	Judy Branfman, Pomfret Center, CT	<u>Unguvalput/Our Lives:</u> <u>Annie Blue Does</u> <u>the Squirrel Dance</u>	tapestry	1986	10,180
	Kathy and Doug Bayer, Seward	<u>Tidal Pool,</u> <u>Salmon Run, Shore Birds</u>	fused glass panels	1985	7,455
<u>Fairbanks North Star (C.3.2.JJ)</u>					
<u>Borough School District</u>					
Badger Road School	Danae Anderson (unconfirmed)	<u>Arctic Scenes: Dark Phase</u>		1985a	
	Victor Hiles, Homer		wood mosaic	1985	30,000
	Rebecca Wilson, Spokane, WA		woven panel	1985	10,000
	Charlotte Amalie Purrington, Greenville, NC		stitched batik	1985a	10,000dd
North Pole					
Senior High	Michael Kennedy, Seattle		stained gl windows	1986	6,000
	Ron Adcock	<u>Sunrise &amp; Sunset</u>	susp sculptures	1986	20,000
	Karl Ciesluk, Ottawa, Ontario	<u>Congregational Points</u>	ext sculpture	1985	60,000
	Steve Lillegard, Stanford, MT	<u>Patriot</u>	bronze int. sculpt.	1986	40,000
	Keith Appel, Anchorage		enamel steel tiles	1986	36,000

	Dick Termes, Spearfish, SD		suspended sculpture	1986	35,000
	Gwen Peterson	<u>Volcano</u>	print	1986	542
	John Richen	<u>Iris Fields</u>	suspended sculpture	1986	3,500
	Gail Niebrugge, Glennallen	<u>Pigeout Bayoil</u>	painting	1986	550
		<u>Fish Wheel</u>	painting	"	525
	Nancy Young	<u>Twilight Mesa</u>	print	"	567
	Guitta Corey, Anchorage	<u>Summer Solstice</u>	painting	"	375
		<u>Midnight</u>			
	Jack Van Hoesen, Haines	<u>Safe Passage</u>	oil	"	2,500
	Roxanne Turner	<u>Landscape #11</u>	serigrpah	"	200
	Jennifer Bellinger	<u>Snowy Owl</u>	batik	"	950
	Ketchum, ID	<u>White Fronted Geese</u>	batik	"	1,400
	Ron Jenkins	<u>Ruffed Grouse</u>	lithographs	"	285
		<u>Gyrfalcon</u>	lithogrpah	"	285
	Nancy Rabener	<u>June Solstice</u>	photo	"	250
Pearl Creek					
Elementary	Guillermo Granizo		mural ceramic tile	1986	35,000
	Keith Appel, Anchorage	<u>Glacial Melt</u>	suspended sculpture	1986	20,000
Salcha					
Elementary	Maggie Smith		mural, ceramic tile	1986a	10,000
	Gail Niebrugge, Glennallen	<u>Fireweed</u>	acrylic painting	1986	800
	Pat Fridley, Anchorage	<u>Monarch</u>	watercolor	"	450
	Sharon Scramstad Merrell, Anch	<u>Lands End</u>	silkscreen	"	275
	Alice Van Leunen, Portland, OR	<u>Meadow</u>	weaving	"	450
	Ned Callaway	<u>Alpine Pond</u>	oil painting	"	375
Two Rivers Elementary	Donald James Barrie/Seattle, WA		paintings (4) mural	1983	10,000

Sara Baker,	<u>Seeds and Memory</u>	tapestry	1983	300
Sharon Scramstad Merrell, Anch	<u>Halibut Cove</u>	silkscreen	1983	255
Michelle Corder, Anchorage	<u>Tidal Flats Near</u>	oil	1983	900
	<u>Portage</u>			
Lynn Wiley, Anchorage	<u>Ride a Wild Horse</u>	color etching		125
Lynn Wiley, Anchorage	<u>Moose Torn</u>	pencil & oil crayon		200
Sherry Leedy	<u>Divers</u>	pastel		700
Don W. Murphy, Fairbanks	<u>Frosty Fantasy in Red</u>	color photo		125
Ken Spiering, Spokane, WA	<u>Alpine Fantasy</u>	wall sculpture	1985	9,000

Weller Elementary	George Everett, Colorado Sp, CO	wall sculpture	1985	24,600
	Keith Appel, Anchorage	wall sculpture	1985a	37,000

Galena City School District (C.3.2.NN)

Galena School	Bill Cawthon (not % for Art/installed before law)	wall murals	1978	20,000
	4/87 Supt Purdy repts \$15,000 set aside, has asked for technical assistance			
	Elem building in litigation			

Haines Borough School District (C.3.2.Z)

Haines

High School	Jack VanHoesen, Haines	Untitled	wall mural	1982	5,000
	Linnus Barlow, Haines	<u>Lynn Canal</u>	stained glass window	1982	2,500
			4X8 ft.		
	Geraldine Marquardt & Eugene Zimbrich, Haines	Untitled	sculpture, metal & plexiglas, 14'	1982	3,500

Primary \$1,250 avail 7/79

	Linnus Barlow, Haines	Little People	wall relief, wood	1985	200
Voc/Ed	Sr. art student installed 1/2" aluminum wall relief/1tr 2/13/81/no response on file \$3,248 avail 7/79				
	Mark Foulke, Haines & other students	Untitled	wall relief, aluminum	1982	3,000
Klukwan					
Mosquito Lk School	Gershon & Kerry Cohen, Haines	<u>Autumn Leaves</u>	wall relief, ceramic 5'x15'	1985	2,500
	Terry Bastable, Haines	Untitled	mural	1985	1,750
	Denise Bernt, Haines	<u>A Rainbow Welcome</u>	fibre	1985	1,000

Hoonah Public Schools (C.3.2.BB)

District Office	Ron Klein, Juneau	historic Hoonah photo reproductions	photographs		
	5/20/83 RFP, request hist. repros of photos \$2,000 - CTD responds ineligible				
Public School	Jim Tilly		wall graphics	1981	6,000
Swimming Pool	4/8/86, per private party - approx \$3 million bldg, art project postponed til Ph II, Ph II postponed due to budget shortfalls				

Hydaburg City Schools (C.3.2.RR)

Hydaburg		Wood relief and panels (below)		1983	38,000
	Clarence Peele, Jr.	<u>Eagle</u>	wood relief		
	Warren Peele	<u>Raven</u>	panels		

Iditarod Area School District (C.3.2.B)

Anvik	\$430 avail 12/14/78, possible native arts collection				
Grayling	Jacques and Mary Regat, Anch	<u>Flying Eagle</u>	bronze casting		
Holy Cross	Jimmie Froehlich, Anchorage	Reproduction/enlarge- ment/mounting of 20 old photographs	photographs	1979	1,500
Nikolai	Jon Van Zyle, (Artist-in-Schools)	two murals	mural		
	Arthur Higgins, Wasilla	Untitled	mural	FY85	2,500
Shageluk High School	Eluska John, (Artist-in-Schools)	traditional masks	carving	1978	ASCA 2,550 district cont. 1,700 in-kind 1,120
Takotna	Jimmie Froehlich, Anchorage	Untitled	exterior mural paint/plywood	1979	district cont. 1,500

Juneau Borough Schools (C.3.2.QQ)

Alternative H.S. Ph I	\$7,071 avail 10/84
Ph II	\$1,121 avail 10/84

Auke Bay Elementary	2/2/88: \$10,000 avail for 3 sites (1,2 or all 3) Kathy Odegaard, Principal, 789-7530 Sites: (1) outside entry, (2) two stairwell areas, (3) library bay windows Proposals due latre March, 1988			
Floyd Dryden Middle School	\$12,275 avail 10/84 2/2/88: \$30,000 avail for 3 coordinated projects; must be completed by 8/15/88 - main courtyard w/consid. for grating (Charla Wright, Asst Principal, 786-0152) - main drive entrance -- sign/announcement board - sixth grade wing yard area			
Harborview	\$28,950 avail 10/84 John Dobbs, Anchorage	<u>Recess: Something We</u> <u>All Remember</u>	stained glass	1986 11,250
Juneau-Douglas High Sch	\$165,414 avail 10/84 Tom Lindsay, Seattle		sculpture/seating bronze/concrete	1987 60,000
	Mark Eric Gulsrud, Washington finalists selected		stained glass window sculpture	1986a 30,000 60,000
Marie Drake Middle School	Robert Stout & Stephanie Jurs Anchorage		acrylic murals on canvas/plywood	1986 \$10,000
Mendenhall River Community School	\$93,128 avail 10/84 RFP deadline 11/20/85 \$15-30,000 - lobby area Bill C. Ray, Juneau	<u>Reds &amp; Browns</u>	wall mural, acrylic on overlay board	1987 21,550

Kake City Schools (C.3.2.00)

Elementary Addn      10/31/86 - \$24,400 avail for both - possible AIS  
Jr High Addn

Kenai Peninsula Borough (C.3.2.CC)

School District

No artworks have been commissioned or purchased apparently due to district administration's dissent?

Cooper Landing      8/19/82 - new gym

McNeal Canyon      81 & 82 request info for compliance

Ninilchik      7/15/81 - CTD to Nilnilchik Arts Council - in compliance?

Soldotna High School      2/3/81 - per asst principal - school built and open - no artwork

Ketchikan Gateway Borough School District (C.3.2.PP)

Point Higgins

Elementary School      RFP deadline 2/28/86, budget \$15,000 - request proposals \$3-8,000

Terry Pyles, Ketchikan

wall relief

1986a      15,000

Rie Munoz, Juneau

Waiting for the Ferry tapestry

1986a      13,720

Intermediate School      Doug Hudson, Ketchikan

Children in Alaska

sculpture, wood

1986a      7,500

Ray Troll, Ketchikan

Midnight Run

oil & alkyd

1986      8,000

on canvas

Revilla High School RFP deadline 8/24/84, \$10,000 avail, any kind for any location

King Cove City School (C:3.2.F)

District

King Cove City School	Leigh Hyams, 11/14/77 possible "splash bucket" to be designed action: contact artist-Fred Anderson	mural	1981	3,000
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Klawock City Schools (C.3.2.TT)

Klawock City School Stan Marsten selected 10/8/82, no other info avail

Kodiak Island Borough (C.3.2.Q)

School District

Chiniak School	Ken Spiering, Spokane, WA	<u>Like Father, Like Son</u> sculpture, copper/brass	1985	12,500
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Karluk \$8,300 avail 10/82; RFP mailed 10/82

Kodiak

East Elementary	Douglas H. Hudson OR Bruce Johnson	relief/play sculpt		10,000
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Main Elementary

Gym

Susan Ogle	supergraphics	1983
following not clear on who was selected/file/6-2-82		

Bldg Front	Douglas H. Hudson OR Tester G/O'Neill, T.	sculpture		20,000
Commons	Tester G./O'Neill, T. OR Stan Bitters	suspended sculpt		7,000
Library	O'Neill, T./Tester, G. OR Susan Payne	glass/st glass		5,000
Sunken Play Area	Kay Slusarenko OR Jacque Overhoff	graphics/panels		8,000
General	portable works			3,000
Performing Arts Aud.	James Hagedorn	<u>Kodiak Seascape</u>	wood relief	1986a 12,000
	3/4/86 ltr fr supt mentions 13 other works?			
Larsen Bay	Huong Na, Kodiak	selected 2/81 \$5,717	avail 11/80	
Old Harbor	11/79 proposed painting & wood carving			
Ouzinkie	Chrisana J. Davis, Kodiak	selected 2/81 --\$4,022	avail 11/80	
Port Lions	11/79 proposed lg paintings			
<u>Kuspuk REAA (C.3.2.V)</u>				
Aniak				
High School	\$1,780 avail 1979 note 3/16/83 says \$12,000?			
Elementary	\$1,620 avail 3/83			
Chuathbaluk				
H.S.	Harold Gregory, Crooked Creek	Untitled	oil on canvas	1986 1,500
Comp.	\$1,619 avail 1979			
Crooked Creek H.S.	Janaan Kitchen, Anchorage		mural	1986 5,000
			acrylic/plywood	

Kalskag H.S. \$4,524 avail 1979

Slectmute H.S. \$2,492 avail 1979

Lake & Peninsula School District (C.3.2.A)

11/12/80 ltr indicates some work commissioned

Lower-Kuskokwim School (C.3.2.D)

District

NOTE: Chris, some schools below appear to have used approx 1/2 money available--is there a reason for this?

Akiachuk High School	Alvin Amason, Kodiak	<u>Canada Goose</u>	oil on canvas	1983	6,250
Akiak School	Alvin Amason, Kodiak	musher and dogs	acrylic	1981	6,250
Akula Elitnarvik High School, Kasigluk	Jack VanHoesen, Haines	<u>Subsistance Scenes at Kasigluk</u>	panels (3) 2-4'x8' 1-4'x15'9"		13,300
Atmautluak School	Gail E. Neibrugge, Glennallen	<u>Race Day, Atmautluak Village</u>	acrylic, 8'x2'	1981	3,350
	Total \$7,332 avail 2/80				
Bethel Regional High School	Dan Fruits, Bethel	<u>Alaskan Wildlife</u>	acrylic on mounted wood panels	1981	5,300

Chefornak High School	Jimmie Froehlich, Anchorage Total \$6,733 avail 2/80	<u>Seal Hunters</u>	oil base sign paint	1981	3,875
Eek School	Moses Wassilie, Anchorage Total \$4,877 avail 2/80	past and present lifestyles	painting, 4'x9'	1982	3,500
Goodnews Bay High School	Dan Fruits, Bethel Total \$7,963 avail 2/80	local landmarks	wood panels (10) carved, painted	1980	5,000
Kasigluk	\$ avail? 2/80				
Kilbuk School Library heat upgrade	Moses Wassilie, Anchorage \$3,727 avail 2/80	Untitled	mural, 4'x20'	1982	3,500
Kipnuk High School entry & gymnasium	Jack VanHoesen, Haines \$10,822 avail 2/80	<u>Migrational Waterfowl</u> and <u>Subsistence</u> <u>Animalsof Kipnuk</u>	murals	1981	5,000
Kwethluk	Arthur Higgins, Wasilla \$8,,953 avail 2/80	<u>Kwethluk and Three</u> <u>Step</u>	acrylic painting 4'x8'	1980	5,200
Kwigilingok	Alvin Amason, Kodiak	<u>Walrus</u>	oil	1983	6,250
Lower Kuskokwim School	Jack VanHoesen, Haines	<u>Early Eskimo</u>	mural		3,000

District Admin. Off.

Education

Mekoryuk High School	George Williams, Sr.,	loon mask	mask	1981	300
	George Williams, Sr.,	Double Walrus	ivory carving	1981	300
		Ivory Mask			
	Peter Smith, Sr., Mekoryuk	Loon Mask	mask, driftwood	1981	1,600
	Walter Amos,	Loon Mask	mask, driftwood	1981	800
	Andrew Noatak,	Musk Oxen Mask	mask, driftwood	1981	260
	Andrew Noatak,	<u>IRCIQ</u>		1981	260
	Helen Noatak,	grass basket		1981	560
	Dale T. Smith, Sr.,	Harpoon	driftwood & ivory	1982	325
	Dale T. Smith, Sr.,	mask	ivory/reindeer horn		475

\$5,718 avail 2/80

Napaskiak High School Gym	Susan Ogle, Anchorage	<u>Views of Napaskiak:</u>	plywood panels,	1982	4,000
		<u>Woman Ice Fishing</u>	4'x8'		set of 4
		<u>Tope of Orthodox</u>			
		<u>Church in Napaskiak</u>			
		<u>Man in Boar on the</u>			
		<u>Kuskokwim River</u>			
		<u>Two Boys Playing</u>			
		<u>Basketball</u>			

Total \$8,226 avail 2/80

Newtok High School	Jimmie Froehlich, Anchorage	<u>Newtok Memories</u>	4' square panels (3)		3,280
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Nightmute High School	John Kailukiak, Toksook Bay	Untitled	acrylic on canvas 3 1/2'x14'	1982	3,800
Nunapitchuk High School	Uksook Moses Wassilie, Anch	<u>Tundra Drums</u>	painting 4'x18'	1981	4,000
Anna Tobeluk Mem HS		<u>Portrait of Anna Tobeluk?</u>		1981	4,000
	Total \$8,009 avail 2/80				
Platinum High School	Dan Fruits, Bethel	Untitled	frieze-5 wood panels carved & panels local landmarks	1980	1,000
Quinhagak	Jon Van Zyle, Eagle River	<u>Life in Quinhagak,</u> <u>the Old and the New</u>	painting	1981	3,300
	Total \$7,558 avail 2/80				
Tuluksak High School	Jimmie Froehlich, Anchorage	<u>Yup'ik Guides</u>	mural	1982	5,150
	Total \$8,328 avail 2/80				
Tununak High School	John Kailukiak, Toksook Bay	<u>Four Seasons</u> <u>Two Times</u>	acrylic on canvas 6'x14'		3,500
	Total \$7,555 avail 2/80				
Tuntituliak	Richard Brogan, Anchorage	<u>Tundra</u>	wood relief panel	1981	4,300
	Total \$8,603 avail 2/80				

Lower Yukon School District (C.3.2.S)

REAA #3

Fortuna Ledge	\$5,655 avail 6/79 - note 6/15/82 says complete - note 6/28/83 check w/S Fenn for documentation				
Marshall School	Jack VanHoesen, Haines	works by		1980&82	9,923
Kotlik High School	\$9,535 avail 10/79 - " " " "				
Mountain Village Voc/Ed	\$9,800 avail 1/85 - RFP deadline 3/85 for ext sculpt - bids rejected				
	supt request pls purchase art for 11 sites & voc/ed site - ASCA to contact galleries 12/85				
Spring Water Middle School	Milo Minock,	5 wall works		1980	5,250
Pilot Station Schools	J. VanHoesen, Haines	lithographs & 3 paintings of village life	lithographs & 3 paintings	1982	6,641
Pitkas Point High School	Pat Minnok,	3 works	painting on plywood		5,476
Russian Mission High School	Dan Fruits, Bethel	5 paintings	painting, acrylic	1981	5,037
Elementary School	Paula Dickey, Anchorage	weaving	fiber	1982	1,200
St. Mary's Andreafski H.S.	Moses Wassilie, Bethel	<u>St. Mary's Portraits</u>	acrylic on linen	FY85	24,300
Scammon Bay High School	Milo and Pat Minock,	3 murals	mural on plywood		6,508
Sheldon Point Schools	(purchased in Anchorage)	mukluks			6,920
	" "	dolls			(total for all)

"	"	baskets		
"	"	ivory carvings		
(one by Frank Prince)		dog team		
"	"	pictures		
Andrew Covlasky,		painting on gym wall	painting	1983

Matanuska-Susitna Borough (C.3.2.UU)

School District

Susitna Valley High Sch	Kurt Wagoner,	landscape,	painting	7,500
		Mt. McKinley		

Trapper Creek                      1/29/82 - plans to have artwork, other Mat-Su schools exempt  
 4/87 - Asst Superintendent reports plans for artwork never completed

Nenana City Schools (C.3.2.DD)

No artwork per supt 8/11/80

	Art Higgins selected for painted wood relief (17'x38') to install Fall '86	15,000
New addition	Art Higgins	Untitled                      relief, wood                      1986                      15,000

Nome City Schools (C.3.2.KK)

Nome-Beltz Lifesaving Facility	Ronald Petty, Seattle, WA	Interdependence	bas relief/polyester	1983	\$32,000
	" "	<u>Seals Hunting</u>	bas relief	1983	inc above
			brass/copper		

North Slope Borough (C.3.2.J)

School District

Barrow H.S. 8/80 \$200,000 avail suggest Ahvakana

Kaktovik	Gloria Rankin, Anchorage	mural	1980	6,000
	Mildred Rexford,	masks	1980	1,000
	Archie Brower,	Soapstone carving & baleen baskets		2,000
	Eddie Rexford	baleen etching		1,000
Point Hope	6/78 \$6.5 million sch const			

Northwest Arctic REAA (C.3.2.N)

Ambler

	initiate commission for 10 oils by Charlen Jeffrey 9/17/80? Which school? \$9,500			
Elementary	\$6,300 avail 2/79			
High School Phase I	Mary Regat, Anchorage	<u>Ambler Bear Fishing</u>	soapstone	1982 2,125
	\$6,470 avail 10/79 - const complete			
High School Phase II	\$1,888 avail 6/79			

Buckland \$7,405 avail 10/79 - const complete

Deering \$6,131 avail 10/79 - const complete

Kotzebue

Academic High School	Rie Munoz, Juneau	<u>Les Enfants de Kotzebue</u>	tapestry	1985
Elem & (Secondary?)	7,698 avail 2/79 - const complete			
Program Support Cntr	Collection of portable works			\$2,460
	Dorothy Francis	<u>Mother and Child</u>	painting/print?	

Charlen Jeffrey, Anchorage

Wait For Me Mom

Lord of the Tundra

Mort Solberg

Arctic Monarch

Fred Machetanz, Palmer

Decision on Ice

Winter Harvest

William Engle

Village Race

Nancy Taylor Stonington

Whaling Camp, Kivalina

Ketchum, Idaho

Front Street, Kotzebue

Voc & Gym 19,389 avail 3/80

School code compliance 8,158 avail 12/79

#### Noatak

\$9,300 avail for photography work 6/85 which school?

Elementary \$5,000 avail 6/79

Jr/Sr High

Jacques Regat, Anchorage

Eskimo Heritage of

relief, wood

1982

4,340

Noatak

Mary Regat, Anchorage

Noatak Lynx

green soapstone

1982

1,700

Caryl Strom, Anchorage

Raven Creator of the

oil (6)

1982

3,200

World

#### Noorvik

wood relief commission by Jacques Regat 9/17/80?

\$3,500

Elementary \$2,668 avail 12/79

Jr High \$7,791 avail 12/79

Sr High

Mary Regat, Anchorage

Noorvik Grizzly and Cub brown soapstone

1982

1,364

Charlen Jeffrey, Anchorage

Eskimo Heritage of

oil wall mural

1982

4,500

Noorvik, Alaska

\$1,540 avail 2/79

Selawik

Elementary remodel \$1,818 avail 12/79

Jr High Mary Regat, Anchorage

\$1,768 avail 12/79

Selawik Wolf

green soapstone

1982

1,068

Pelican City Schools (C.3.2.VV)

Pelican Middle School Hans Wienberg, Pelican

Untitled  
(aerial views of  
Pelican)

mural, photo silk-  
screen on panel  
5'X7'

1986

3,000

Petersburg City Schools (C.3.2.WV)

Petersburg

Middle & High School

Auditorium/Lobby Carson Boysen, Olympia, WA

Heritage Panels:

wall reliefs (7)

1987

3,500

Deer, Killer Whale,

Eagle-Raven, Hawk & Crane, Sea Dragon,

Sea Monster, Tree of Ygdrasil

H.S. exterior wall Arthur Higgins, Wasilla

Petersburg - 1½

relief, wood/alum.

1987

10,000

Middle Sch Commons Kay Slusarenko, Oregon (AIS)

Reflections

enamel on steel

1987

3,600

Middle Sch Up.Level Liz Biesiot, Fairbanks

Bear Wall

ceramic relief

1987

800

Library Charlotte Purrington,  
Greenville, NC

Green Gold

fibre wall quilt

1987

1,250

Portable works Cheri Greer, Petersburg

The Berrypickers

watercolor

1987

350

Evans Downer, Chugiak

Petersburg Quadrants

acrylic/paste/enamel  
on masonite

1987

700

Carol Howald, Petersburg	<u>Cheyenne</u>	oil	1987	550
Marianne Wieland, Anchorage	<u>Sighting - One</u>	embossed print	1987	100
	<u>Sighting - Four</u>	" "	1987	100
	<u>Sighting - Five</u>	" "	1987	100
	<u>Sighting - Six</u>	" "	1987	120
	<u>Reunion</u>	" "	1987	250
Teri Jo Hedman, Anchorage	<u>Big Bored Bears</u>	silkscreen	1987	100
Gail Neibrugge, Glennallen	<u>Birch in White</u>	stone lithograph	1987	150

Pribilof Island School District (C.3.2.EE)

St Paul	Charlen Jeffery	<u>Mountain Goat</u>	mural	1980	800
	James Froelich, Anchorage (AIS)	<u>Seal on the Rocks</u>	mural	1980	AIS
	Wackerman	<u>Eskimo Man</u>	mural	1978	900
		<u>Eskimo Woman</u>	mural	1978	990
	From UAA archives	<u>Pribilof Island</u>	photographs		
	enlarged reproductions	<u>Historical Photographs</u>			
	10/80 \$2 million grant - approx \$5,000 avail (CTD resp \$10,000 should be) sites selected				

Railbelt School District (C.3.2.G)

Anderson Elementary	Doyle Carter, Anderson	<u>Grizzly Bear Country</u>	wood carving	1978	2,000
	Mary Erickson, Anderson	<u>Alaskan Kaleidoscope</u>	mural, cork/paint	1978	3,250
	Douglas & Cherie Yates, Fairbanks	<u>Anderson</u>	stained glass (3)	1982	2,500
High School	Gary Worby, Homer	windows	stained glass	1982	875
	Nancy Beaty, Fairbanks	<u>Alaskan Animals</u> <u>in Glass</u>	stained glass	1984	490

	Ted Meyer, Anderson	<u>Grizzly Bear</u>	stuffed mount	1985	1,500	
	Louis Waitt, Anderson	<u>Grizzly Bear Totem</u>	totem	1985	9,920	
Gym	Brigitte Cooper, Palmer	<u>Sunseasons</u>	tapestry, 10x4.5'	1982	8,500	
	Doyle Carter, Anderson		painted 3D landscape	mixed media	1985	1,000
	Brian Allen, Fairbanks		old school photos	photographs	1986	500
Cantwell School			Alaska the Land	prints (12)	1980	1,500
	Ann Ernst, Homer	<u>Spring at Mt.</u>	stained glass	1980	2,520	
		<u>McKinley</u>				
	Ruth Travers, Cantwell	<u>Denali</u>	oil	1981	950	
	Ruth Travers, Cantwell	<u>Goshawk</u>	sculpture	1981	750	
	Lily Tansy, Cantwell		Athabaskan mittens & moosehide/fur moccasins	1981	160	
	Pam Gilbertson, Cantwell		dog hair basket	1980	150	
	Pam Gilbertson, Cantwell	<u>Friends</u>	fibre/dog hair	1980	250	
	Carol Resnick, Cantwell		Squirrel hat & purse	fiber, handsewn	1981	60
	Carol Resnick, Cantwell	<u>Clowns</u>	dolls, wood/fibre	1980	335	
	Diane L. Drashner, Cantwell	<u>The Trouble with</u>	ink drawing	1981	300	
		<u>Reindeer</u>				
	Velta Steinberg, Cantwell	<u>Legend of Denali</u>	mural and legend	1981	2,850	
	Leonard Rue, III	<u>Hawks</u>	photographs (4)		80	
	Mikki Grable, Cantwell	<u>Midsummer Fantasy</u>	photograph	1978	100	
	Mikki Grable, Cantwell	<u>Autumn Magic</u>	photograph	1980	100	
	Mikki Grable, Cantwell	<u>Swan Elegante</u>	photograph	1979	100	
Tri-Valley School	Ree Nancarrow, Deneki Lakes	<u>Caribou Migration</u>	fiber wall hanging 5'x12'	1978	3,400	
Addition	Brian Young	<u>Welcome to Tri-Valley</u>	sign	1985	2,230	
	Mike McVey	<u>Chainsaw Warrior</u>	carving, wood (10')	1986	6,000	

Saint Mary's Public Schools (C.3.2.XX)

Andreafski High School . Uksook-Moses Wassilie, Anch  
(see duplication under Lower Yukon district)

3 suites, titled: acrylic on linen 1984 24,300  
School the Bridge Between Two Cultures:

School Facilities

Yupik Cultural Activities

Board Members

St. Mary's A Riverfront Mission:

Transportation

St. Mary's Mission & Personalities

Life on the River

Portrait of an Elder:

Flora Paukan

Patrick Beans, Sr.

Raphael Afcan

Jasper Lewis

Thomas Luke

Mary Mike

Pete Andrews

Justina Mike

Dan Stevens, Sr.

Gertrude Sinka

Sand Point City Schools (C.3.2.SS)

Sand Point City Sch 12/83 dedication & open house, 6/85 new supt says former supt purchased artwork?

Sitka Borough Schools (C.3.2.YY)

Maint bldg

10/84 - grant funds, can waive compliance -- project cancelled 4/87

Skagway City School District (C.3.2.HH)

Skagway School	Michael Kennedy, Seattle, WA	<u>Gateway to the Klondike</u>	stained glass	1986	\$10,000
	John Edward Svenson, California	<u>Skagway</u>	steel/bronze sculpt	1986	32,000

Southeast Island School District (C.3.2.W)

LaBouchere Bay  
Elem/Secondary Sch      \$1,875 avail 4/80

Southwest Region Schools (C.3.2.E)

Aleknagik	Jennifer Bellinger, Ketchum, ID	<u>Glacier Bay Puffins</u>	serigraph	1984	300
	Richie J. Dahlberg, Dillingham	<u>Mallard Loon</u>	wood carving	1984	450
			" "	1984	300
	Marie Luckhurst	<u>Gillnetters at Clarks Point</u>	watercolor	1984	200
		<u>Fresh Split Salmon at Lewis Point</u>	watercolor	1984	215
		<u>The Buyer Unimak</u>	watercolor	1984	195
	Brian Morger, Montana	\$6,500 budgeted	Acrylic on canvas	1984	
	Sue Ellen Ross, Washington	<u>Beach Geese</u>	handcolored etching	1984	345
		<u>Mallards Stirring</u>	" " "	1984	345
	Various artists from Aleknagik	Various native craft items		1984	1,079
	Dillingham, Togiak				
	Michael Kennedy, Seattle	<u>Lunar Watch</u>	stained glass	1985	3,200

2/85 CTD suggests Myron Wright/Jennifer Bellinger

Clark's Point	Brian Morger, Fort Benton, MT	<u>The Story Knife</u> <u>Bristol Bay Sunset</u> <u>Coming of the Whites</u> <u>Home of the Falcons</u>	paintings 48"x96" ea	1986	6,000
District Office	Moses Wassilie, Anchorage	<u>Berry Picker</u>	acrylic	1983	313
Ekwok	Moses Wassilie, Anchorage	<u>Ekwok Winter Scene</u> <u>"Sonny" Nelson &amp;</u> <u>Iditarod</u> <u>Fish Camp</u>	acrylic on canvas panels, 2-4'x8' 1-4'x16'	1982	7,267
Koliganek	Chris Davis, Fairbanks	<u>Drum Player, Dancer</u>	acrylic panels (2)	1982	8,600
Levelock	Don W. Murphy, Fairbanks	Untitled 38 salon prints	photography cibachrome & copies	1982	2,862
	Richard Cook, Anchorage	<u>Levelock Carvings</u>	redwood relief (3)	1986	7,700
Manokotak	Moses Wassilie, Anchorage	<u>Igushik Fishing Scene</u> <u>Lake Fishing Scene</u> <u>Munokotak Village</u> Untitled, 2 panels - (1 of Evon Minista, 1 of his wife)	murals, acrylic panels	1982	4,500
New Stuyahok	Richard Cook, Anchorage	<u>Stuyahok Story</u>	carved redwood panels, 3-3'x8'	1982	9,756

Togiak	Moses Wassilie, Anchorage & Brian Morger, Montana	<u>Bear, Caribou</u> (lighting \$1,000? file--6/18/82)	acrylic murals (6)	1982	4,457
Twin Hills	Chris Davis, Fairbanks	<u>Village Life</u>	acrylic panel, 4'x7'	1982	3,000

Tanana City Schools (C.3.2.22)

Nothing on file

Unalaska City Schools (C.3.2.FF)

10/24/80 supt to CTD bldgs underway/will be in touch

Valdez City Schools (C.3.2.GG)

7/30/81 CTD notes establ. theme "History of Prince William Sound" would like outdoor play sculpture

Hermon Hutchens Elem	Jim Knutson	<u>Old Valdez</u>	watercolor suite	1981	4,285
	Peter Toth	<u>Bear</u>	sculpture, wood	1981	2,000
	James F. Francis	various, unknown	murals	1982	34,854

Wrangell Schools (C.3.2.0)

Alaska Skill Center \$7,762 avail 9/79

Intermediate 4-6	Art Nelson,		wall relief, native	1981	6,000
	Kurt Ryll,	forest scene	relief carving	1981	2,500
	Kurt Ryll,		building frieze, native design	1981	3,500

Primary K-3	Polly Lee, Petersburg	<u>Kaleidoscope</u>	ceramic mural, kaleidoscope	1983	6,000
	Lynn Wiley, Anchorage	fabric banners	fiber	1983	8,000

Yakutat City School District (C.3.2.I)

District office	RFP 12/81 (2) 10x15 murals Fred Bemis, Takutat	<u>Eagle</u>	wood relief 6'X30'	1985	10,600
	Jim Hagedorn, Anchorage	(salmon, birds)	wood relief 6 sections	1987	7,800
Yakutat Elementary	Fred Bemis, Yakutat	Tlingit clan designs	4'x6'		1,545
	Fred Bemis, Yakutat	Tlingit eagle	wall mural	1982	1,800
	Julie Purdy, Yakutat	Untitled	mural, Alaska	1982	2,800
	Fred Bemis, Yakutat	Tlingit animal carvings	carving		2,000

Yukon Flats REAA (C.3.2.U)

Arctic Village Secondary School	Various local artists Collection reported stolen 6/11/82	handcrafted items		1981	5,324+
Far North School @ Central	see list in file (9/27/84)				
Fort Yukon	note 5/11/82 indicates completion				

Rampart	Kathleen Carlo, Fairbanks	<u>Coming Into My</u>	carved/inlaid relief 1985	2,000
		<u>Father's Country</u>		
	James Grant, Fairbanks	Untitled	exterior relief 1985	5,000

Stevens Village  
 Elementary Addn \$1,400 avail 4/80, 6/11/82 ltr says sev pcs purchased (caribou skin w/mural + others) no photos avail

Venetie Elementary School	James Grant, Fairbanks		relief, wood/moose skin 1987	4,000
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Secondary School	\$5,884 avail 4/80, complete 5/82 - see catalog wksht?			
Yukon Flats School		<u>History Through Pictures</u>	a collection of old photos (copies) not w/in guidelines per CTD 6/25/84	
Voc/Ed	RFP deadline 8/84 for beadwork, sled, nowshoes, fishwheel			

Yukon Koyukuk REAA (C.3.2.C)

Allakaket	Jimmie Froelich & Susan Ogle, Anchorage	Untitled	oil (9) FY82	7,000
Bettles	Arthur Higgins, Wasilla	Untitled	wall sculpture, wood FY86	5,815
Hughes	Arthur Higgins, Wasilla	Untitled	wall sculpture, wood FY86	7,500
Huslia	Arthur Higgins, Wasilla	Untitled	wall sculpture, wood FY86	1,800

Kaltag CTD ltr indicates \$ avail 5/82 School repts no art as of 4/87

Koyukuk	Moses Wassilie	Untitled	oil (4)	FY85	4,000
Hanley Hot Springs	Steve Fortney	<u>Dead Whale</u>	oil	FY87	900
	Curt Madison	<u>Study in Stars</u>	sculpture	FY87	1,500
	Ann Wood		fibre, wall	FY87	700
	Evon Yarbor	<u>On Hot Springs Slough</u>	multi media	FY87	900
Minto	Moses Wassilie	Untitled	oil	FY85	3,400
	\$3,391 avail 2/79	RFP D/L 4/28/80			
Nulato \$3,763 avail 2/79	Moses Wassilie, Anchorage	Untitled	oil	FY85	7,000
Ruby \$5,794 avail 2/79					
Merrelaine Kangas Sch	Women of Ruby, Alaska	Untitled	moosehide mural	1983	3,025
	Fred Machetanz ? eligibility	<u>The Sourdough</u>	print	1983	265
	William Engels ? eligibility	<u>When Friends Meet</u>	print	1983	400
	Jon Van Zyle, Eagle River		oil	1983	800
	Pat Pearlman, Fairbanks	conflict/interest	redwood relief	1983	1,300
	4/87 sch dist reports "hide, oil, wood, print, FY83, \$5790)				

1108B/BSP:bsp

\$ 1,785,918

*Note on final bill*  
*Yes - 31*  
*No - 9*  


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*Reconsidered*  
*Yes - 31*  
*No - 9*  
*Final*

BSN:1260

ALASKA HOUSE OF REPRESENTATIVES  
 CHS 206 (FIN) AM

2ND SESSION 14TH LEG

5/ 5/88 11:14 AM

	SI	YEAS	9	NAYS	0	EXC	0	ABS	
Y ADAMS	Y								FULLER
Y BINKLEY	Y								FURNACE
Y BOUCHER	<del>Y</del>								GOLD
Y CATO	Y								GRUENBERG
<del>Y</del> CLOCKSTIN	Y							<del>Y</del>	GROSSENDORF
Y COLLINS	Y								HANLEY
Y COTTEN	Y								HERRMANN
<del>Y</del> DAVIS	<del>Y</del>								HORLEY
<del>Y</del> DUNCAN	Y								JENKINS
Y FRANK	<del>Y</del>								ISORONEN
									LARSON
									MARROU
									MARTIN
									<del>Y</del> MILLER (M.M.)
									MILLER, N.W.
									NAVARRE
									FEARCE
									PETTY JOHN
									PHILLIPS
									PIGNALBERI
									<del>Y</del> FOURCHOT
									RIEGER
									RINGSTAD
									SHULTZ
									SUND
									SZ JANSKI
									TAYLOR
									THOMPSON
									<del>Y</del> UEHLING
									WALLIS

Y VOTED FOR  
 \* CHANGED VOTE

*Reconsidered Same Day - Yes - 29*  
*No - 11*

Final

RSN: 819

2ND SESSION 14TH LEG

ALASKA SENATE  
CSHB 606 FIN AM 3RD

5/11/86 4:39 PM

11 YEAS 7 NAYS 0 EXC 2 ABS

Y	ABOOD
Y	BENNETT
Y	COGHILL
Y	DEVRIES
Y	ELIASON
N	FAHRENKAMP
Y	FAIKS

Y	FERGUSON
Y	FISCHER PAUL
N	FISCHER VIC
Y	HALFORD
A	JOSEPHSON
Y	KELLY
N	KERTTULA

N	RAY
N	ROBEY
N	SASZAK
N	STURGULEWSKI
Y	ZHAROFF
N	ZIEGLER

+ VOTED FOR  
\* CHANGED VOTE

LETTER OF AGREEMENT  
BETWEEN  
THE STATE OF ALASKA DEPARTMENT OF  
TRANSPORTATION AND PUBLIC FACILITIES

AND

THE ALASKA STATE COUNCIL ON THE ARTS

This Agreement, shall become effective upon execution by the State of Alaska, Department of Transportation and Public Facilities (hereinafter called the Department) and the Alaska State Council on the Arts (hereinafter called the Council). The Agreement shall terminate upon completion of paragraph 9 on page two, of this Agreement.

The Department's coordinator for this Agreement is the Commissioner of the Department or his designee. The Council's coordinator for this Agreement is the Executive Director of the Council. Each party agrees to notify the other party in writing of any change in the coordinator.

Whereas a percentage of funds have been identified by the Legislature, under AS 35.27 for the project as described in Appendix A of this Agreement and whereas the Council has submitted a notice to the Department requesting that the Council be allowed to assume all responsibility for the planning and construction of the project described in Appendix A (hereinafter also referred to as "the project"), the parties mutually agree as follows:

1. The Council agrees to assume all responsibilities heretofore held by the Department relating to the planning and construction of the project, excepting those responsibilities retained by the Department and described in Appendix B, which is hereby incorporated and made a part of this Agreement.
2. The Council agrees to comply with all applicable codes, statutes, and regulations of the State of Alaska.
3. The Council shall coordinate, administer, and notify all applicable parties of meetings and reviews and obtain all necessary written approvals from all effected agencies.

4. Prior to final acceptance of the project, the Council has the duty of providing for and overseeing all safety orders, precautions, and programs necessary to ensure the reasonable safety for the planning and construction of the project. In this connection, the Council shall take reasonable precautions for the safety of all project employees and all other persons whom the project might affect, and shall inspect all work and materials incorporated into the project, and all property and associated improvements at the project site.

5. At the time of final acceptance, the responsibility for the maintenance and operation of the project shall be borne by the Client Agency which is in substantial control of the completed facility.

6. The Council shall forward copies of the Artwork procurement documents to the Department for approval. If anything in these documents conflicts with the project described in Appendix A or is found to be in violation of any statute, code, or regulation, the Council will be notified that existing payments of project funds allocated to that specific location are in jeopardy and will be rescinded by the Department unless those conflicting aspects are corrected within a reasonable period of time as noted in the written notification.

7. The Council shall submit a quarterly status and expenditure report to the Department. The report shall address the expenditures and progress status of each individual facility within the overall scope of the project.

8. The Council, upon completion of each individual facility listed within the scope of the project, shall provide the Department with a final expenditure report, certified by the Council's coordinator, of all costs incurred in the accomplishment of the project.

9. The Council, upon completion of the entire project, shall have performed an independent audit according to Appendix C. The audit shall be performed and delivered to the Department within 120 days of the end of the calendar year in which the project was completed. The Department retains the right to audit the project any time within three (3) years upon written notice to the Council. All project records shall be maintained by the Council for three (3) years after the date of the project audit.

10. If, through any cause, the Council shall fail to fulfill in a timely manner its obligations under this Agreement, or if the Council shall violate any of the covenants or stipulations of this Agreement and if, after notification by the Department of such failure or violation, the Council fails to take proper corrective action within a reasonable time, the Department shall thereupon have the right to terminate this Agreement by giving written notice to the Council of such termination and specifying the effective date thereof. Such written notice shall be given at least fifteen (15) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports, construction materials, and any work completed by the Council, or its contract artists, described under this Agreement shall, at the option of the Department become the Department's property and the Council shall be entitled to receive just and equitable compensation for any satisfactory work completed. Notwithstanding the above, the Council shall not be relieved of any liability to the Department for damages sustained by the Department by virtue of any breach of the Agreement by the Council, and the Department may withhold any payments to the Council for the purpose of setoff until such time as the exact amount of damages due the Department from the Council is determined.

11. The Council may appeal, to the Commissioner of the Department of Transportation and Public Facilities, the Department's determination that Council is in violation of this contract or that it has failed to fulfill its responsibilities in a timely and proper manner. Such an appeal must be made within ten (10) days of the date the Council is notified of the Department's decision to terminate the contract. Pending resolution of the appeal, no work will proceed on the project. The Commissioner's decision shall be final.

12. If, due to changed circumstances, the Department or the Council wishes to terminate this Agreement prior to its completion, the initiating party shall notify the other party in writing of its reasons for requesting the early termination. This request must be made at least fifteen (15) days prior to the proposed termination date. If both parties agree that it is in their mutual best interests to terminate this Agreement early, all finished or unfinished documents and other materials as described in Paragraph 12 above shall, at the option of the Department, become the Department's property. If the Agreement is terminated as provided herein, the Council shall only be reimbursed for actual expenses

which were incurred by the Council during the Agreement period and which are directly attributable to the Council's performance of this Agreement. The Department shall also reimburse the Council for any costs properly incurred by the Council in honoring convenience termination clauses in its Agreements with its contractors as long as these clauses conform to the standard convenience termination clause used by the Department for similar type contracts.

13. This Agreement shall be governed by the laws of the State of Alaska.

14. In the event the Council subcontracts any work covered by this Agreement, the Council shall require compliance by its subcontractors with AS 36.05.010, AS 36.05.040, and AS 36.10.010. In addition, the Council shall require compliance with all Federal, State, and local laws, regulations and ordinances relating to civil rights.

15. To the extent the Council itself performs any work covered by this Agreement, the Council agrees to comply with all laws, regulations, and ordinances referred to in Paragraph 14, above.

16. The Council shall ensure that none of the funds paid under this Agreement will be used for the purpose of lobbying activities before the Alaska State Legislature.

17. Unless changed by prior written notice, any notices required by this Agreement must be sent to the following addresses:

Department: Commissioner  
Department of Transportation and  
Public Facilities  
Pouch Z (MS 2500)  
Juneau, Alaska 99811


Council: Executive Director  
Alaska State Council on the Arts  
619 Warehouse Ave, Suite 220  
Anchorage, Alaska 99501

18. This Agreement may not be assigned by the Council without written consent of the Department.

19. The failure of the Department to insist in any one or more instances upon strict performance by the Council of any provision or covenant in this Agreement may not be considered as a waiver or relinquishment of the provision or covenant for the future. The waiver by the Department of any provision or covenant of this Agreement cannot be enforced or relied upon by the Council unless the waiver is in writing and signed on behalf of the Department.

20. Modifications or written amendments to this agreement can only be made by written mutual consent by both the Department and the Council.

Winston D. Gray      Executive Director      1-21-86  
Authorized Signature for the Council      Title      Date

      Commissioner      2/4/86  
Authorized Signature for the Department      Title      Date

LETTER OF AGREEMENT  
APPENDIX "A"

**Project Description**

For the purposes of this letter of Agreement it shall be mutually understood that the scope of the project shall consist of the procurement of Artwork, the design and construction of any required support facilities, and the administrative duties associated therewith, all as required to meet the legislative requirements of AS 35.27, Art Works in Public Buildings and Facilities.

To accomplish this goal the Department delegates to the Council the authority to enter into contracts with "selected" artists. Said "selected" artists shall be selected by the architect for the Department with the approval of the Department, after consultation with the Alaska State Council on the Arts and the principal user of the public buildings or facilities. In addition the Department shall provide a monetary funding in the amount as designated in the following section, to cover procurement costs, administrative fees (not directly accountable to the design of the Artwork) and the costs of associated support facilities. The legislative mandated 1% portion of the appropriation shall be spent solely on the acquisition of the actual Artwork or when required the design and construction of the support facilities necessary to accommodate the Artwork.

**Project Funding**

The Department shall provide to the Council funding equivalent to the following:

1.3% times the construction cost of the eligible building or facility.

Where: (a) "the construction cost" shall consist of an amount equal to the anticipated contract price with all additive alternates and available contingencies for change orders, (b) "eligible building and facilities" shall include all buildings and facilities meeting both the criteria of AS 35.27 and AS 44.27 and receiving legislative funding during fiscal year 1986.

Funding shall be made available to the Council within thirty days following the date on which the contract with the Architect/Engineer was executed. However, in no case shall such funding occur later than the first submittal of schematic drawings. When eligible funding for further construction (not anticipated in item (2) above) becomes available after the initial payment, such funds shall be provided to the Council within thirty days after receipt by the Department.

LETTER OF AGREEMENT  
APPENDIX "B"

**Department Authority and Responsibilities**

Under the terms of this agreement the Department shall retain the following rights and duties.

(1) The Department shall establish funding qualifications on each individual construction project separately.

(2) Shall consult with the Council and the Client Agency to determine their desires for the inclusion of works of Art.

(3) Shall make the final determination--and notify the affected parties--of the method by which the legislative mandated 1% funds will be used. Such methods including:

- a. incorporation of Artwork into the facility to the extent of the total eligible funds, or
- b. deposit of the funds to the "Art in Public Places Fund", or
- c. a suitable combination of the above.

(4) Shall have the opportunity to actively participate as a member (not facilitator) of the selection committee.

(5) Shall grant final approval of all contracts awarded to selected artist.

(6) Shall provide the ultimate decision with respect to all matters involving modifications to the facility's design which may arise from the incorporation of the Artwork.

(7) Shall administer the "Artwork related" services of the Professional Services Agreement as executed between the Department of Transportation and Public Facilities and the facility's Design Professional of Record.

Changes to this document must be made in accordance with item 20 page four of the Letter of Agreement.

# FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "An Act Relating to Art in Public Places; and Providing for an Effective  
Spouse:" Hanley  
 Requestor: \_\_\_\_\_  
 Agency Affected: University of Alaska  
 BRU: All  
 Components: \_\_\_\_\_

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</b>						

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Marsha Hubbard *HH* Phone: 474-7591  
 Division: Statewide Budget Date: 3/13/90  
 Approved by Commissioner: Brian Rogers *BR* Date: 3/13/90  
 Agency: University of Alaska

Distribution (by preparer):  
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