

HB 1809

Red waived 5/2/91

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 2, 1991

FURTHER REFERRALS:

Date of Committee Action: 1/29/92

The FINANCE Committee considered:

HB 189

HOUSE BILL NO. 189

ALASKA HERITAGE ENDOWMENT FUND

"An Act establishing the Alaska heritage endowment fund and amending the responsibilities of the Alaska State Museum and of the Museum Collections Advisory Committee; and providing for an effective date."

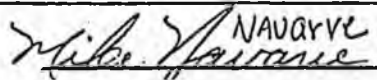
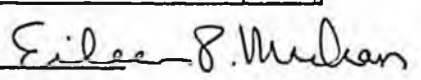
RECOMMENDATIONS:
 be replaced with CSHB 189 (FIN) the same title a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____
 fiscal impac. _____
 zero fiscal note HFC. 1/29/92

APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____
 zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Mike Navarre	✓	Eileen P. Maclean		X	
M. V. Boyer	X	B. J. Jalko		X	
T. Brown	✓	Barnes		X	
Al Kopmen	✓	Ronald J. Larson		X	
Bob Sharp	✓				
ROD E. C. Phillips	✓				
Gene Ulmer	✓				



 CHAIRMAN'S SIGNATURE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 189

Revision Date: _____ Department Affected: REVENUE
 Title: An Act establishing the Alaska
Heritage Endowment BRU: Operations
 Component: Treasury Management
 Sponsor: Representative Boyer
 Requestor: House Finance Committee COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-					
CAPITAL	-0-					
REVENUE FUND SOURCE:	-0-					

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-					
FEDERAL FUNDS	-0-					
OTHER FUND SOURCE:	-0-					
TOTAL	-0-					

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Co-Chair Mike Navarre *file* Co-Chair Eileen MacLean *Eileen* Phone: 465-3779
465-4833
 Division: House Finance Committee Date: 1/29/92

Approved by Commissioner: _____ Date: _____
 Agency: _____

CS FOR HOUSE BILL NO. 189 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES BOYER, Davidson, Koponen, B.Davis, Ulmer, Brown, Moyer, C.Davis

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska heritage endowment fund and amending the responsibilities
2 of the Alaska State Museum and of the Museum Collections Advisory Committee; and
3 providing for an effective date."

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

5 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

6 (1) cultural, natural heritage, artistic, archival, and scientific materials represent and
7 document Alaska's land and people from prehistoric times to the present;

8 (2) archival material and artifacts relate historical events and personalities, provide for
9 advancement of historical and scientific research, and communicate information about the history of the
10 state from one generation to another;

11 (3) Alaska Native art, historical art, and contemporary artistic achievements are an
12 integral part of the state's cultural diversity and provide a basis for understanding our individual and
13 collective identity;

14 (4) much of Alaska's cultural and historic resources have been and remain in great

1 demand nationally and internationally, as a consequence of which the state has been stripped of a
2 substantial portion of its material cultural heritage; the process continues with sale from in-state
3 collections to nonresidents of works of significant artistic or historical value;

4 (5) acquisition, a primary function of museums, is a process that is necessarily carefully
5 planned and highly selective in order that collections be capable of supporting the long-range goals of
6 a large and diverse constituency;

7 (6) it is not possible for museums to develop a balanced and planned collection by means
8 of donations alone; recent changes in federal tax laws have diminished donations as a principal source
9 of money to sustain the development of balanced and planned collections; at the same time, while many
10 individuals who possess materials important to Alaska would like to assure that those materials remain
11 in the state or return to it, they often find it impossible to make the necessary financial sacrifice that
12 attaches to donation of those materials;

13 (7) purchased acquisitions enable museums to develop their collections systematically in
14 accordance with established long-range plans;

15 (8) museums that are charged with responsibility for development and maintenance of
16 collections must respond to acquisition opportunities as they arise, but the availability of premiere
17 Alaskan objects and collections by acquisition cannot be predicted;

18 (9) a lack of access at all times to funding for major acquisitions results in the loss of
19 opportunity to acquire essential material; once missed, the acquisition opportunity may be one that is
20 gone forever;

21 (10) the establishment of an endowment as a source of income would materially assist
22 the Alaska State Museum to compete successfully to acquire exceptional cultural and historical materials
23 and resources for retention within the state and for return to the state.

24 (b) To secure to Alaskans in this and future generations the pride, identity, and importance that
25 attaches to the state's heritage of cultural and natural heritage, the legislature is establishing the Alaska
26 heritage endowment fund, the income from which will provide a stable source of money for the
27 acquisition of outstanding objects and collections.

28 * Sec. 2. AS 14.57.050(b) is amended to read:

29 (b) Artifacts, natural history specimens, art objects, collections, or other items, materials
30 or properties that relate to the history of Alaska and are appropriate for preservation in the state
31 museum of a value of \$1,000 or more may not be acquired by purchase, gift, or exchange, or

1 otherwise [,] nor may any item owned by, or in the custody of, the state museum be disposed of
2 by sale, gift, exchange, or otherwise, without the written approval of the committee. In
3 recommending the acquisition or disposal of an item under this subsection for the state
4 museum, the committee shall evaluate the need for the item or collection proposed for
5 acquisition or disposal with reference to the scope of collections of the state museums.

6 * Sec. 3. AS 14.57.080 is amended to read:

7 Sec. 14.57.080. DEFINITION [DEFINITIONS]. In AS 14.57.020 - 14.57.080, [THIS
8 CHAPTER] "committee" means the state Museum Collections Advisory Committee.

9 * Sec. 4. AS 14.57 is amended by adding new sections to read:

10 ARTICLE 2. USE OF NET INCOME OF ALASKA HERITAGE ENDOWMENT FUND.

11 Sec. 14.57.100. ACQUISITIONS. Subject to appropriation by the legislature under
12 AS 37.14.430, the director may use the balance of the net income account of the Alaska heritage
13 endowment fund to acquire culturally or historically significant artifacts, natural history
14 specimens, art objects, collections, and other items, materials, or properties that represent and
15 document Alaska's land, natural history, and people for

16 (1) the Alaska State Museum; and

17 (2) the Sheldon Jackson Museum.

18 Sec. 14.57.110. OWNERSHIP OF ACQUIRED ITEMS. Except when ownership of an
19 item is transferred under AS 14.57.120, an item acquired under AS 14.57.100 becomes the
20 property of the state museum.

21 Sec. 14.57.120. CRITERIA APPLICABLE TO ACQUISITIONS FROM THE FUND.
22 Subject to approval given by the Museum Collections Advisory Committee under
23 AS 14.57.050(b), the director may

24 (1) establish by contract the terms and conditions of custody, protection,
25 conservation, and exhibition of an item acquired by the state museum if the item is acquired and
26 custody of it is assigned to another institution;

27 (2) transfer ownership of an item to an institution having custody of an item
28 acquired from the net income account of the fund if the director is satisfied that the institution
29 will provide necessary care and protection of the item; or

30 (3) assign long-term custody of an item to an institution having custody of an
31 item acquired from the net income account of the fund if the director is satisfied that the

1 between principal and income.

2 (d) Unless otherwise provided by the act making an appropriation under (b) of this
3 section, an amount appropriated to the net income account under (b) of this section does not
4 lapse.

5 Sec. 37.14.420. POWERS AND DUTIES OF THE COMMISSIONER OF REVENUE.

6 The commissioner of revenue is the treasurer of the fund and has the power and duty to

7 (1) act as official custodian of the cash and investments belonging to the fund by
8 securing adequate and safe custodial facilities;

9 (2) receive all items of cash and investments belonging to the fund;

10 (3) collect the principal and income from investments owned or acquired by the
11 fund and deposit the amounts in separate principal and income accounts for the fund;

12 (4) invest and reinvest the assets of the fund as provided in this section and as
13 provided for the investment of funds under AS 14.25.180(c) and AS 37.14.170;

14 (5) exercise the powers of an owner with respect to the assets of the fund;

15 (6) maintain accounting records of the fund in accordance with investment
16 accounting principles and with distinction between the principal and income accounts of the fund;

17 (7) engage an independent firm of certified public accountants to annually audit
18 the financial condition of the fund's investments and investment transactions;

19 (8) enter into and enforce contracts or agreements considered necessary for the
20 investment purposes of the fund;

21 (9) report to the commission the condition and investment performance of the
22 fund;

23 (10) do all acts, whether or not expressly authorized, that the commissioner of
24 revenue considers necessary or proper in administering the assets of the fund.

25 Sec. 37.14.430. USE OF FUND. (a) The principal of the fund and any capital gains or
26 losses realized on the principal shall be retained perpetually in the fund for investment as
27 specified in AS 37.14.420.

28 (b) The net income account of the fund may be appropriated for the following purposes:

29 (1) reimbursement to the Department of Revenue for the costs of establishing and
30 managing the fund;

31 (2) the administrative expenses of the Museum Collection Advisory Committee

1 relating to acquisitions from the fund, as determined by the legislature;
2 (3) acquisitions authorized by AS 14.57.100 - 14.57.199; and
3 (4) reimbursement of other costs of administration of the fund.

4 (c) The balance remaining in the net income account that, at the end of the fiscal year,
5 has not been appropriated, or that has been appropriated but not expended, shall be invested until
6 appropriated or expended.

7 Sec. 37.14.440. DEFINITION. In AS 37.14.400 - 37.14.440, "fund" means the Alaska
8 heritage endowment fund established by AS 37.14.400.

9 * Sec. 6. This Act takes effect July 1, 1992.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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


240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

January 30, 1992

SUBJECT: CSHB 189 (Finance): State Museum Heritage Endowment Fund -- proper reference to state official (Work Order No. 7-LS0852J)

TO: Representative Mike Navarre, Co-Chair
House Finance Committee

FROM: Jack Chenoweth
Legislative Counsel 

I have made the changes as instructed. Note that, during the First Session, legislation was enacted that made use of the "Article 4" and "AS 37.14.300 - 37.14.340" references that also appear in this measure. In this version, therefore, I have changed the internal references to "Article 5" and "AS 37.14.400 - 440." We have checked these cites and made all necessary reference corrections.

Also, I want to alert you to the inconsistency between a reference the House Finance Committee is adding in this bill to "director of the division of libraries, archives, and museums" and the references elsewhere in applicable law (various references in AS 14.56, including, notably, AS 14.56.350 referring to the "director of the division of state libraries" and various references in AS 14.57 and AS 41.35 including, notably, AS 14.57.030 with a reference to "director of the museum" and AS 41.35.120(1) with a reference to "director of the State Museum.") This inconsistency of reference arises out of the fact that when the Department of Education recently merged the former Division of Libraries & Archives with the former Division of Museums, it did not bother to seek legislation to correct these statutory references or ask the governor to prepare, sign, and submit an executive order to incorporate these changes. I can't advise the Finance Committee not to make the change but I would caution that the committee is only compounding the confusion of reference arising out of the administration's failure to merge these divisions either by law or by executive order.

JBC:lmb
92-017.lmb

FISCAL NOTE

BILL NO. HB 189

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: 1/23/92

Title: An act establishing the Alaska Heritage Endowment

Fund: _____

Department Affected: Revenue

BRU: Operations

Component: Treasury Management

Sponsor: Representative Boyer

Requestor: House Finance

Component Serial No.

0	1	2	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	5.0	5.0	5.0	5.0	5.0	5.0
TRAVEL						
CONTRACTUAL	15.0	15.0	15.0	15.0	15.0	15.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	20.0	20.0	20.0	20.0	20.0	20.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)


GENERAL FUND/Unrestricted						
FEDERAL FUNDS						
OTHER	20.0	20.0	20.0	20.0	20.0	20.0
TOTAL	20.0	20.0	20.0	20.0	20.0	20.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

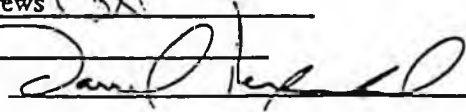
ANALYSIS: The 20.0 expenditure in total operating costs is the basic personal services and contractual costs for a trust managed by the Treasury Division. Contractual costs would consist of external investment management, accounting, auditing, and custodial services. Future cost increases are dependent on the asset growth of the trust fund from contributions and market gains.

Prepared by: Brian C. Andrews 

Phone: 465-2350

Division: Treasury

Date: January 23, 1992

Approved by Commissioner: 

Agency: Revenue

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

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101


MEMORANDUM

May 8, 1991

SUBJECT: CSHB 189(HES), establishing the Alaska heritage endowment fund for the support of museum and related activities -- sectional analysis

TO: Representative Mark Boyer

FROM: Jack Chenoweth
Legislative Counsel



The measure establishes a permanent fund, designated the Alaska Heritage Endowment Fund, as a separate state endowment, and charges that the use of the income from the fund shall be used for purposes associated with the Alaska State Museum's activities associated with culturally or historically significant materials. The measure includes a statement of findings and purpose, and makes several related changes to the duties of the state's Museums Collections Advisory Committee.

Bill section 5 establishes the Alaska Heritage Endowment Fund and directs the manner of its ongoing management. Specifically --

Proposed AS 37.14.300 establishes the fund, the endowed principal of which is to include money derived

-- from legislative appropriations; and

-- from gifts, bequests, and contributions made to the fund that specify their placement in the fund principal;

Proposed AS 37.14.310 establishes a related net income account. The net income account includes

-- money and other assets given by a person that do not specify or require inclusion in the fund principal (i.e. gifts, bequests, and contributions that are not intended to be a permanent source of support but may be freely used for acquisitions and other authorized purposes); and

-- the income earned on the gifts, bequests, and contributions that specify their placement in the fund principal.

The section also provides that, if so directed by legislative appropriation, the income earned on money appropriated to the fund principal may be included in the account; these income appropriations are non-lapsing.

Proposed AS 37.14.320 directs the commissioner of revenue, as the treasurer of the fund, to have responsibility for the fund's management, and enumerates the commissioner's management powers and duties.

Proposed AS 37.14.330 sets out the authorized uses of the fund principal and the net income account. The authorized uses of the fund's net income account include

-- reimbursement due the Department of Revenue for establishing and managing the fund;

-- administrative expenses of the state's Museum Collection Advisory Committee relating to securing acquisitions with money from the fund, as the legislature allows;

-- acquisitions; and

-- reimbursement of other costs of administration of the fund.

Acquisition policy involving use of the net income of the heritage endowment fund is described in the material set out in bill section 4:

Proposed AS 14.57.100 authorizes use of the fund balance to acquire the "culturally or historically significant" items enumerated at p. 3, lines 14 - 16 for the Alaska State Museum and the Sheldon Jackson Museum.

Proposed AS 14.57.110 establishes a presumption that acquisitions from the fund will remain the property of the Alaska State Museum.

Proposed AS 14.57.120 sets out criteria applicable to acquisitions. The material includes the opportunity to set standards for protection, care, and exhibition if custody of the acquisition is assigned outside the Alaska State Museum, and authorizes, subject to approval by the Museum Collections Advisory Committee, transfer of ownership or assignment of long-term custody of acquired items to another institution.

Representative Mark Boyer
May 8, 1991
Page 3

Proposed AS 14.57.130 authorizes deaccession of items obtained from the money in the fund's net income account.

Bill section 2 redefines and expands the state's Museum Collections Advisory Committee's role in acquisitions policy for artifacts of interest to the Alaska State Museum.

Bill section 1 sets out applicable findings and a statement of purpose intended to justify the need for the measure.

Bill section 3 makes a technical drafting addition.

Since a legislative appropriation to initiate the endowment is contemplated, bill section 6 gives the proposed Alaska Heritage Endowment Fund and the related material in the bill a July 1, 1991, effective date to coincide with the start of the next state fiscal year.

JC:gc:lmb
91-162.lmb

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE



House of Representatives

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

To: Representative Mike Navarre, Co-Chair
Representative Eileen MacLean, Co-Chair
House Finance Committee

From: Representative Mark Boyer *MB*

Date: January 13, 1992

Subject: Scheduling of HB 189

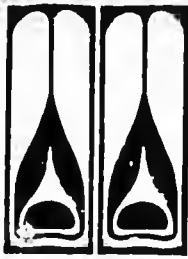
Please schedule HB 189, "An act establishing the Alaska Heritage endowment fund and amending the responsibilities of the Alaska State Museum and of the Museum Collections Advisory Committee; and providing for an effective date," at the earliest possible date.

This bill is the outgrowth of the State Museum's need for acquisition funding. Outstanding Alaskan native art, historical Alaskan art and objects, and archival material are in great demand in the international, national, and state markets, yet acquisition funding by the State Museum has averaged less than \$60,000 per year over the last nine fiscal years. The establishment of an endowment as a source of revenue would materially assist Alaska's public institutions in competing successfully to acquire exceptional cultural and historical materials and resources for retention within the State and for return to the State.

At a time when we no longer have the ability to fund every type of interest, we must provide our institutions and political subdivisions the tools with which to generate their own revenues. Even if we fail to endow the new fund, private and corporate donors may contribute to this newly created endowment with a comfort level that the fund will have separate accounting within the general fund.

This legislation has a very small fiscal note by the Department of Revenue for administration costs.

FAIRBANKS 20B



**Friends of the Alaska State Museum
Friends of the Sheldon Jackson Museum**



January 28, 1992

Representative Mark Boyer
Capital, Room 411
P.O. Box V
Juneau, Alaska 99811

RE: CS for House Bill No. 189 (HESS)
The Alaska Heritage Endowment

Dear Representative Boyer:

The Friends of the Alaska State Museum and The Friends of the Sheldon Jackson Museum (Alaska non-profit corporations with combined membership of over 500) have, since 1968, been working to enhance the effectiveness of the State Museums in their task of collecting, preserving and interpreting Alaska's rich and diverse cultural heritage for present and future generations.

The Friends support and urge passage of CS for House Bill No. 189 (HESS). This Endowment Legislation is seen as an ideal way to ensure adequate funding to stem the outflow of valued heritage objects. As a result of inadequate funding, objects significant to Alaska, including major cultural pieces and significant paintings continue to be lost through public auction and private sale from which the State Museums are absent. In addition, recent changes to the federal tax laws have resulted in fewer donations of artifacts, making future funding for acquisitions a critical matter.

The significant change from the original version of HB189 is the limitation of eligible museums to the two state museums. By making the endowment more specific in its purpose it is more likely the goals of the endowment can be accomplished with the modest funding anticipated in the initial years.

All Alaska museums will have a stake in this legislation because the Alaska State Museum system has throughout its existence, placed objects on loan to other institutions. The determination of loans is made based on the borrowing institution's long-term stability, ability to protect and preserve the object, and plans for display and interpretation. If the borrowing institution became incapable of providing reasonable care and protection of the object at some future date, the Alaska State Museum would intervene to ensure that the necessary care would be provided.

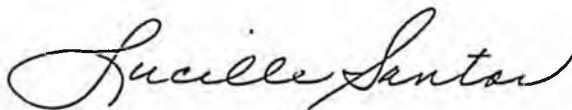
The provision to allow private donations into the fund is attractive, stressing the partnership between the State and private sector. The establishment of a separate endowment trust fund will provide donors, both corporate and individual, with the assurances that their donations and the income derived from them will go for the intended purpose. The language to extend the current responsibilities of the existing Museum Collections Advisory Committee to oversee acquisitions made from the fund is also a good idea, since this will eliminate the establishment of a separate committee or Board of Trustees.

Recent examples of lost opportunities include the following:

—two large oil paintings by Sydney Laurence:		\$200,000
—a collection of Tlingit ceremonial clothing:	\$ 7,000	
—Tlingit crest hat:		\$ 80,000
—a collection of Alaskan Eskimo drawings:		\$ 20,000
—historical mining equipment from Southeast Alaska:		\$ 10,000
—sketch of Loring Bay by Albert Bierstadt:		\$ 12,000
—surveyor's compass used in fixing Alaska/Canada boundary:		\$ 2,000
—a Chilkat blanket:		\$ 7,000

Artifacts that symbolize Alaska's rich heritage have been leaving with visitors and collectors for many decades. The Endowment Fund will provide the mechanism to fulfill the State's obligation to collect significant objects of Alaska's history, natural history, fine arts, and cultures, and to take advantage of one-time opportunities to maintain important objects in Alaska or return lost items to Alaska.

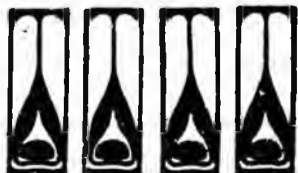
Sincerely,



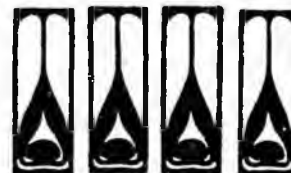
Lucille Santos
President, Friends of the
Alaska State Museum
Juneau, Alaska



Irene Snuler
President, Friends of the
Sheldon Jackson Museum
Sitka, Alaska



The Friends of the
Alaska State Museum



395 Whittier St., Juneau, Alaska 99801

Phone (907) 465-2901

March 27, 1991

Representative Mark Boyer
Capital, Room 411
P.O. Box V
Juneau, Alaska 99811

RE: House Bill No. 189
The Alaska Heritage Endowment

Dear Representative Boyer:

The Friends of the Alaska State Museum is an Alaska non-profit corporation with approved federal tax exempt status under section 501(c)(3) of the Internal Revenue Code. It was founded in Juneau, Alaska, in 1968, when the Alaska State Museum moved to its current location in Alaska's Capital City. The primary purpose of the organization is to enhance the effectiveness of the State Museum in its task of collecting, preserving, and interpreting Alaska's rich and diverse cultural heritage for present and future generations.

The Friends are pleased with the introduction of House Bill No. 189 "The Alaska Heritage Endowment Fund." The acquisition of important Alaskan cultural and historic objects has proceeded slowly, due to the lack of funding. In FY88 the Museum received \$80.0, in FY 90 \$50.0, and the most recent allocation in FY91 was \$0.0. In addition, recent changes to the federal tax laws have resulted in fewer donations of artifacts, making future funding for acquisitions a critical matter. The Endowment Legislation is seen as an ideal way to ensure adequate funding for one of the State's long-range commitments to stemming the outflow of valued heritage objects. As a result of inadequate funding, significant objects to Alaska (including major cultural pieces, significant paintings, and historic aircraft) continue to be lost through public auction and private sale from which the State Museums are absent.

Recent examples of lost opportunities include the following:

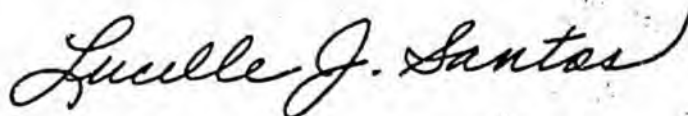
--two large oil paintings by Sydney Laurence:	\$200,000
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--a collection of Alaskan Eskimo drawings:	\$ 20,000
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--a Chilkat blanket:	\$ 7,000

Artifacts that symbolize Alaska's rich heritage have been leaving with visitors and collectors for many decades. The Endowment Fund will provide the mechanism to fulfill the State's obligation to collect significant objects of Alaska's history, natural history, fine arts, and cultures, and to take advantage of one-time opportunities to maintain important objects in Alaska or return lost items to Alaska.

The provision to allow private donations into the fund is attractive, stressing the partnership between the State and private sector. The language to extend the current responsibilities of the existing Museum Collections Advisory Committee to oversee acquisitions made from the fund, is also a good idea, since this will eliminate the establishment of a separate committee or Board of Trustees.

The only point of concern with the bill is the inclusion of museums and libraries established and operated by municipalities and nonprofit corporations. Although it is stated that attempts will be made to eliminate or reduce competition among institutions for the funds, the reality is that competition for the funds may be intense, since there are more than 60 potentially eligible museums statewide. To ensure the smooth operation of the program and remove any competition for the funds, the Endowment would be best established as a fund for the State Museums only. The Alaska State Museum has, throughout its existence, placed objects on loan to other institutions. The determination of loans is made on the borrowing institution's long-term stability, ability to protect and preserve the object, and plans for display and interpretation. If the borrowing institution became incapable of providing reasonable care and protection of the object at some future date, the Alaska State Museum would intervene to ensure that the necessary care would be provided.

Sincerely,



Lucille Santos, President
Friends of the Alaska State Museum



March 19, 1991

Representative Mark Boyer
P.O. Box V
Juneau, Alaska 99811

Ref: **House Bill No. 189**

Dear Mark:

Tom Moyer sent me a copy of House Bill No. 189 in draft form on March 4th. I called Nanci Jones to discuss timing of responses, advising her that Executive Committee of the Friends of the University of Alaska Museum would be meeting the evening of the 18th. She felt this would be timely. We did meet last night, we reviewed the draft bill and we offer herein our comments.

The Friends of the University of Alaska Museum do support the idea of the "Alaska Heritage Endowment Fund". While it appears that the concept may have evolved originally to accommodate the State Museum in Juneau, the wording of the currently proposed bill addresses statewide application of the concept. This being the case, we offer two basic suggestions:

1. The bill should specify the structure of the Museum Collections Advisory Committee, assuring that the MCAC represents all areas of the state.
2. The bill should give the MCAC the responsibility for managing the program. (It currently places these responsibilities with the "director of the state museum". To the best of our knowledge, this position has not existed or has not existed continuously over the past several years. Furthermore, the role of the "director" could better be served by the MCAC than by the director of one benefiting institution.)

The Friends of the University of Alaska Museum encourage a funding bill to provide an initial appropriation for the endowment fund.

Thanks for your consideration of our comments.

Thank you for your consideration and assistance.

~~Leslie I. Rogers, President~~

cc: Moyer, Koponen, Sharp

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To	NANCI JONES	From	Les Rogers
Co.	REP MARK BOYER	Co.	Friends of U of A Museum
Dept.		Phone #	907-452-1241
Fax #	907-465-3841	Fax #	907-452-6883

907 Yukon Drive Fairbanks, Alaska 99775-1200

Rep. Mark Boyer
Capitol, Rm. 411
P.O. Box V
Juneau, Alaska 99811

March 18, 1991

Dear Rep. Boyer:

On behalf of the Museum Collections Advisory Committee (MCAC), I am writing in support of House Bill 189, The Alaska Heritage Endowment Fund. The MCAC is extremely pleased that this bill has been introduced, and we wish to express our appreciation to all those who are sponsoring it. An endowment fund will do much to safeguard Alaska's heritage: to keep valuable artistic, historical and ethnographic material in our state, accessible to residents and visitors. By providing a stable source of funding for acquisitions, the fund will also enable our museums to build coherent and planned collections, which are necessary to developing first-rate facilities for public education and research.

I would like to take this opportunity, as well, to comment on some of the specific provisions of the bill, as currently drafted. First, some confusion about the administration and purpose of the fund needs to be clarified. In a cover letter accompanying the draft to Rep. Boyer (Feb. 26, 1991), Jack Chenoweth states that "The appropriation of the net income of the invested principal is presumptively established as a non-lapsing appropriation, leaving it available to the state museum director to draw from on a continuing basis" (emphasis added; see also Sec 14.57.199). Yet, the bill now includes provisions for donations and appropriations to a much greater variety of institutions than the originally specified state museums. Included here are: 1) the state museum and any of its branches; 2) the state library, state historical library, and state archives; 3) the museum of the University of Alaska; and 4) museums and libraries established and operated by municipalities and by nonprofit corporations (Sec. 14.57.100).

As a result,

- 1) the problem of competition for funds arises;
- 2) the "state museum director" is not an appropriate administrator of funds and procedures relating to the other institutions mentioned;

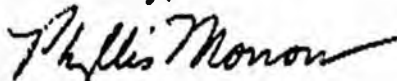
3) likewise, the MCAC is constituted to approve of items for the state museum's collections, but has no particular expertise in, or statutory authority over libraries, archives and other museums;

4) several of the other institutions regularly receive appropriations for their collections and/or have their own endowment fund (as e.g. the University of Alaska's museum); the fund was originally proposed to alleviate the funding shortfalls of the state museums, a purpose which might be subsumed by the expanded intent of the bill, unless language is added.

In sum, these points should be addressed and clarified to ensure the smooth operation of the fund, and the equitable distribution of derived income.

Thank you again for your sponsorship of this important bill. We look forward to its ultimate passage.

Sincerely,



Phyllis Morrow, Chair
Museum Collections
Advisory Committee



UNIVERSITY OF ALASKA MUSEUM

March 22, 1991

Representative Mark Boyer
Alaska State Legislature
P. O. Box V
State Capital
Juneau, Alaska 99811

Dear Mark:

I support, in principle, House Bill No. 189 establishing the Alaska heritage endowment fund. Significant collections representing Alaska's unique cultural and natural heritage continue to leave the state. There is a need to increase and maintain these collections within the state and make them available for Alaska's present and future generations.

There are some inconsistencies in the Act as written which, if there is still time for modifications, could be improved. Actually, in my view, the whole bill should be rewritten. I recommend the following general changes:

Section 1 (10), lines 24-28. " (b) To secure to Alaskans in this and future generations the pride, identity, and importance that attaches to the state's heritage of its cultural and natural heritage, the legislature is establishing the Alaska heritage endowment fund, the income from which will provide a stable source of money for the state's acquisition of outstanding objects and collections representing Alaska's cultural and natural heritage."

Section 2, (b) page 2, lines 29-33 & page 3, line 1-6: The section and additions relate only to the state museum, although the intent of the Act is to provide acquisitions funds for other museums in the state. Possible wording could be changed from "state museums" to "qualifying museums in the state." Also, according to this section, acquisition and disposal of materials and properties by the state museum (does not mention other museums) is subject to the approval of the "committee" (the state Museum Collections Advisory Committee). Generally museums have their own policies relating to acquisitions and deaccessioning. These should be reviewed by the body which oversees the distribution of funds. If the "committee" is this body, does this committee have the charge and broad representation to adequately represent museums throughout the state? The composition and charge of this committee would need to be modified. One

UNIVERSITY OF ALASKA FAIRBANKS

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possible option would be to enlarge membership of this committee to include representatives from Museums Alaska, the state museum association and from selected museums throughout the state.

Section 4. AS 14.57, lines 12-24. The director (of the state museum) is charged with the responsibility of distributing these funds to museums within the state. As I understand it, the position of the director of the Alaska State Museum has been eliminated. Who would then administer these funds? I feel distribution of funds should be the responsibility of the committee formed to administer this fund.

I also suggest that distribution of funds be handled like those distributed to museums through the State Museum's Grants-in-Aid program. Museums could then apply for an "acquisition" grant to be used in accordance with established guidelines. Unique acquisitions exceeding a certain monetary limit could be handled on a case by case basis.

I suggest that the distribution of the fund be limited to qualifying museums throughout the state. Library acquisitions fall under an entirely different category.

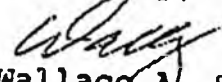
Ownership of acquired objects should be transferred to the qualifying museums. Long term loans of objects generally are not recommended by the museum profession. Funds for acquisition should also be available for collecting from archaeological, paleontological, and biological sites.

The primary benefits of this Act will be to provide funds for acquisition of materials relating to Alaska's cultural and natural heritage. Unfortunately, the state supported museums, the State Museum and the University of Alaska Museum do not have the resources to adequately conserve and interpret the collections they currently have. As mentioned above, the position of the Director of the State Museum has been eliminated and the museum is currently placed under the state library system. This action has weakened the state museum and would have a negative impact upon its ability to administer the endowment fund.

I do support this bill since it will provide needed funds for acquisition of materials representing Alaska's unique cultural and natural heritage. The concerns I expressed above reflect my concern for administration of the fund and provision of adequate support of museums in the state. The bill should be rather general in nature. More specific guidelines and regulations should be developed by a committee of selected museum representatives from throughout the state.

I appreciate you continued support of museum programs in
Alaska.

Sincerely,


Wallace A. Steffan, Director

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

GOLDBELT PLACE
801 WEST 10TH STREET
P.O. BOX F
JUNEAU, ALASKA 99811-0500

April 25, 1991

The Honorable Representative Boyer
Rm 411 Capitol
P. O. Box V
Juneau, Alaska 99811

Dear Representative Boyer:

At the request of your Special Assistant Nancy Jones, I have enclosed information concerning the Alaska State Museum's loan policy and procedures, as well as a catalog and packet on the Museum's traveling exhibits and Learning Kit programs. This should address questions raised during the recent HESS Committee meeting on HB-189 about the accessibility and use of Museum collections.

The following is a brief summary:

OUTGOING LOANS

The Alaska State Museum will loan artifacts to museums and other selected public institutions that meet conditions as stated on the Outgoing Loan Form. Security, environmental safeguards, the ability to meet the conditions for handling artifacts, and public visibility are the most important criteria in evaluating requests for loans.

The Alaska State Museum and the Sheldon Jackson Museum currently have on loan over 600 artifacts to 50 museums and cultural institutions and have made loans to special exhibits within the last two years. These include "Russian America: the Forgotten Frontier", "Bending Traditions" on bentwood artifacts of Alaskan Natives, a Sydney Laurence retrospective, and a United States Coast Guard Exhibit. Objects on loan are currently in: Kodiak, Anchorage, Petersburg, Haines, Ketchikan, Wrangell, Fairbanks, Palmer, Juneau, and Sitka.

TRAVELING EXHIBITS

Works from the Alaska State Museum collection are made available for exhibition in ways other than loans and permanent and temporary exhibits. Sizeable groups of work are organized into compact traveling exhibits for circulation to small museums throughout Alaska. Traveling exhibitions of this kind have significantly increased the number of people who have been able to view works from the Collection.

Traveling exhibitions currently in circulation are: Dolly Spencer Dolls, Dale DeArmond wood block prints, "Images from the Inside Passage" by Winter and Pond, "The Gentle Craft" on Alaskan watercolors, and "Alaska Positive". Development continues on an exhibit of Alaskan kayaks, "Saving Alaska's Archeological Heritage", and a "Mini-Crossroads" exhibition that will travel to rural Alaska and Siberia. Traveling exhibits are currently being used by the following Museums: Yugtarkvik Regional Museum, Bethel; Clausen Memorial Museum, Petersburg; Sheldon Museum and Cultural Center, Haines; Heritage Library and Museum, Anchorage; Valdez Museum; Kenai Community Library; Samuel K. Fox Museum, Dillingham; Carrie M. McLain Memorial Museum, Nome; University of Alaska Museum, Fairbanks; Kenai Peninsula College, Soldotna; Cordova Arts and Pagents; and Anchorage Museum of History and Art.

LEARNING KITS

The Alaska State Museum is presently circulating 38 learning kits, consisting of 20 different titles, to 35 of the State's school districts. It was started because of the inability of much of the State's population to visit the State Museum in Juneau and share in the many treasures which are on exhibit. Currently, kits contain sufficient materials and resources to make each a self-contained unit. The subjects cover the unique aspect of the state: its Native people, its history and its wildlife.

Early kits consisted primarily of objects from the Museum's collections which were deemed suitable to be shipped to teachers around the State for use in their classrooms. With the passage of time, teachers' manuals with suggestions of presentations and student activities were added to kits to make the objects more relevant and to make the task easier for the teacher. Supplementary materials such as films, slides, videos, and reference books are also included in the kits. Today's kits provide basically everything that the teacher may need to teach the subject. However, the core of the kits, the artifacts and objects, has remained as the most valuable portion of the kit materials.

PERMANENT EXHIBITS

The Alaska State Museum has approximately 100 exhibits showcasing the natural and human history of Alaska, including exhibits from major Alaskan cultures. The Alaska State Museum is able to exhibit only a small percent of its collection in the permanent exhibit galleries. The Museum is faced with the task of encapsulating all that pertains to Alaska in an exhibit area of less than 6,500 square feet. The restricted exhibit space allows the Museum to show only a limited view of such important areas as Native cultures, early industry, and maritime and Natural History.

Since there is no means to remodel this building to create more space, the Museum has ventured to find appropriate public space elsewhere. The Museum is slowly expanding into the community by placing exhibits in highly visible public buildings. Natural History exhibits and an orientation to the State of Alaska have been installed in the Juneau International Airport and Sitka Community Airport. The Museum has also exhibited historic woodworking tools in the University of Alaska's new technology building and mounted large-scale displays in the State Court Building and the State Office Building. These exhibits allow us to reach a larger audience.

COMPUTERIZATION OF COLLECTIONS

In an effort to effectively increase access to important subject materials and objects within the collection, the Alaska State Museum is proceeding with the procurement of computer software and hardware that will provide access to collections information.

Currently, collections data is recorded on catalog cards that have limited staff, researcher, and public accessibility. Increased accessibility will be accomplished through the use of computer terminals available to the general public and staff within the Museum. Cultural institutions and museums would be able to gain access to the Museum's collections through the use of remote terminals and modems. This will be an important research and teaching tool that will have an enormous impact on scholars, students, and the general public.

Visual access to collections material will be provided by computer imaging or through the use of video disk technology. With 18,500 objects currently in the Alaska State Museum collection and an additional 4,500 objects currently in the Sheldon Jackson Museum collection, it is estimated that data entry and image recording will take at least four years to accomplish.

If you have further questions, please do not hesitate to call.

Sincerely,



Steve Hole
Acting Commissioner
by Bruce Kato
Acting Museum Administrator

Enclosures

DIVISION OF ALASKA STATE MUSEUMS
DEACCESSIONING POLICY

In the absence of legal prohibitions, the Division of State Museums will routinely analyze its collections and will dispose of items from its collections at the recommendation and discretion of the curator, with the concurrence of the Director of the Division of Alaska State Museums, and the approval of the staff Acquisitions Committee and the Museum Collection Advisory Committee. Clear and complete records must be maintained on all deaccessioned objects. This will include photographs, date of removal, catalogue number, reason for removal, method of disposal and price (if sold).

CRITERIA FOR DEACCESSIONING

An object from the permanent collection may be deaccessioned subject to the approval of the staff Acquisitions Committee, the Director of the Division of Alaska State Museums, and the Museum Collections Advisory Committee only if it meets one or more of the following criteria:

1. Poses a hazard to human life or health, or to other objects in the collection.
2. Does not fulfill the collection criteria of the individual museum.
3. Has been determined to rightfully belong to a group or individual other than the Division of Alaska State Museums.

PROCEDURE FOR DEACCESSIONING

1. The deaccessioning procedure originates with the Curator of Collections within the museum affected. The curator will prepare a written recommendation which establishes the reason for deaccessioning. This statement will include information pertaining to the history, significance, and ownership of the object, as well as applicable laws and proposed method of disposal.
2. Deaccessioning must be approved by the staff Acquisitions Committee.
3. Deaccessioning must be approved by the Museum Collections Advisory Committee and by the Director of the Division of Alaska State Museums.
4. All records pertaining to the deaccessioning of an object must be permanently retained. This would include all signed approval forms, photographs, and any other pertinent information.

5. Disposal of the the deaccessioned piece will be in the following prioritized order, with the concurrence of the Director of Alaska State Museums:

A. Place with another educational institution within Alaska through exchange, sale, or donation.

B. Place with another educational institution outside Alaska through exchange, sale, or donation.

C. Place in the educational programs of the Division of Alaska State Museums as consumable items, or sale/exchange with a dealer, or destroy, or return to former owner.

NOTE: Any financial remuneration gained in the transaction will be returned to the museum disposing of the piece for future acquisitions or for conservation of the existing collection, consistent with state policy regarding disposal of state property.

CONDITIONS OF LOAN:

1. Insurance

Insurance is required, and insurance coverage for the total value of objects shall be provided by the Borrower at Borrower's expense and shall remain in effect from the time the object leaves the Alaska State Museum until it is returned to the Museum. Value of objects will be set by the Alaska State Museum. A certification of insurance shall be provided by Borrower upon request by the Alaska State Museum.

2. Photography and Credits

Objects may be photographed or filmed for educational purposes such as publicity and publication of exhibition catalogs on condition that the Alaska State Museum is provided one copy of the catalog. Photographs taken for purposes other than those specified above shall be prohibited without prior written permission of ASM. Captions on photographs will credit ASM with ownership of the objects, e.g., "From the collection of the Alaska State Museum."

When ASM objects are filmed, televised or otherwise photographed, the Borrower shall agree that

- (a) lamps are not placed closer than 6 feet from the object;
- (b) the lamps used do not raise the surface temperature of the object more than 3°C above room temperature;
- (c) the loan object is not touched or moved except by the qualified employees of the Borrower who shall at all times wear proper gloves when handling the object.

3. Transportation and Packing

Borrower shall pay all costs of transport and packing of objects borrowed from the

Alaska State Museum. Objects shall be returned packed with the same or similar quality materials and workmanship as received. Borrower and ASM shall mutually agree on the method of transport.

4. Care and Preservation

Borrower agrees to assume liability for any loss or damage to borrowed items from the time they leave the Alaska State Museum until they are returned and found to be in the same condition in which they left. Evidence of damage to objects at the time of receipt by the Borrower or while in the Borrower's custody shall be reported immediately in writing to ASM.

No alteration, restoration or repair to objects will be undertaken without written authority of ASM.

Borrower agrees to comply with conservation specifications provided by ASM. Specifications may include maximum light levels and the use of appropriate filters, temperature and relative humidity levels, restrictions against use of sticky substances to hold artifacts, assurance of appropriate handling procedures, etc.

5. Security

Security provisions will safeguard objects against damage, vandalism or theft and will follow standards established by the American Association of Museums for proper museum security procedures.

6. Termination of Loan

The Alaska State Museum reserves the right to terminate the loan at any time for non-compliance of the loan terms by the Borrower as set forth in this agreement.

Dear Colleagues,

An important aspect of the Alaska State Museums is our Traveling Exhibits Program, and we are pleased to offer for loan exhibits that include a variety of media and may fit both small and large sites. All of our traveling exhibits, however, have some common requirements, as follows:

Scheduling

Bookings should be made as far in advance as possible. Exhibits will usually be available at one location from four to six weeks. To book an exhibit, contact: Traveling Exhibits Coordinator, Alaska State Museum, 395 Whittier St., Juneau, AK 99801, Telephone (907) 465-2901.

Cost

Exhibitors are asked to buy insurance while the exhibit is in their possession. Insurance will cover the value of objects as set by the Alaska State Museums. Certification of insurance may be required of all exhibitors. Exhibitors will also pay the cost of one-way travel for each exhibit.

Space Requirements

The estimates given in this booklet for each exhibit (in linear feet) is twice the total horizontal measurement of all works, frame to frame, and represents the average wall space required to hang the exhibit. In the case of exhibits that are three-dimensional, space requirements will depend on the size of the cases containing the pieces. As exhibition information may be printed far in advance of a show traveling, actual requirements may vary. Updated specifications are available from the Traveling Exhibits Coordinator.

Security

Security provisions should safeguard objects against damage, vandalism, and theft, and should follow the standards established by the American Association of Museums for proper museum security procedures. More information is available from the Traveling Exhibits Coordinator.

Registration/Preparation

All exhibits are fully captioned, framed, crated and ready to install. Installation, handling instructions and condition report forms (with instructions on how to prepare them) accompany all traveling exhibits. Completed condition reports, both incoming and outgoing, are required of all exhibitors.

Publicity

The Traveling Exhibits Program will provide a publicity packet with each exhibit well in advance of the opening date. The packet will include a sample press release, photographs, and posters. Exhibitors are required to credit the Alaska State Museums in any publicity sent out on the exhibit, including press releases and posters, and at the entrance to the exhibit. Photographs of the exhibit may be taken only under the conditions outlined under the Borrower's Agreement.

Our office is open from 8:00 a.m. to 4:30 p.m. We look forward to hearing from you.

Mark Daughetee
Traveling Exhibits Coordinator

**ALASKA STATE MUSEUMS
TRAVELING EXHIBITS PROGRAM**



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