

HB 1809

SENATE FINANCE COMMITTEE REPORT

DATE: 4/2/92

FURTHER:

DATE TURNED INTO OFFICE: 5-6-92

The Finance Committee considered CS FOR HOUSE BILL NO. 189 (FINANCE)

"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."

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____
 attaches amendment(s)

- same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

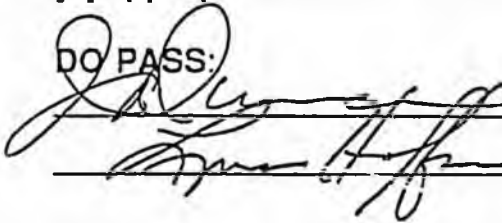
appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes DOR 1-29-92

fiscal notes _____

DO PASS:



OTHER RECOMMENDATIONS:

All letters - No Rec
Paul Hunt No Rec
Paul Hunt (NO REC)

1. 
Co-Chair: Signature/Recommendation

2. _____
Co-Chair: Signature/Recommendation

STATE OF ALASKA
 1992 LEGISLATIVE SESSION
 SFC 5-6-92 REPORTED OUT OF

NO. 4
 Bill Version: CSHB 189 (FIN)
 (H) Publish Date: 2/3/92
 REVENUE

Revision Date: _____ Department Affected: _____
 Title: An Act establishing the Alaska BRU: Operations
Heritage Endowment Component: Treasury Management
 Sponsor: Representative Boyer
 Requestor: House Finance Committee 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						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-					
CAPITAL	-0-					
REVENUE	-0-					
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-					
FEDERAL FUNDS	-0-					
OTHER	-0-					
FUND SOURCE:						
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* Phone: 465-3779
Co-Chair Eileen MacLean *Eileen* Phone: 465-4833
 Division: House Finance Committee Date: 1/29/92

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91

Page 1 of _____

COMMITTEE COPY

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: 2/3/92
Referred: Rules

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 institution to which custody of the item is transferred will provide necessary care and protection
2 of the item in accordance with a contract entered into under (1) of this section.

3 Sec. 14.57.130. DISPOSITION OF ACQUIRED ITEMS. Subject to approval of the
4 Museum Collections Advisory Committee under AS 14.57.050(b), the director may establish a
5 deaccession policy under which the director may exchange or otherwise convey title to an item
6 acquired from the net income account of the fund in accordance with generally accepted
7 principles governing the disposal of these items.

8 Sec. 14.57.199. DEFINITIONS. In AS 14.57.100 - 14.57.199,

9 (1) "director" means the director of the division of state libraries, archives, and
10 museums;

11 (2) "fund" means the Alaska heritage endowment fund established in
12 AS 37.14.400;

13 (3) "net income account" means the account established in AS 37.14.410.

14 * Sec. 5. AS 37.14 is amended by adding new sections to read:

15 ARTICLE 5. ALASKA HERITAGE ENDOWMENT FUND.

16 Sec. 37.14.400. ALASKA HERITAGE ENDOWMENT FUND ESTABLISHED. The
17 Alaska heritage endowment fund is established as a separate endowment trust fund of the state.
18 The principal of the fund consists of

19 (1) legislative appropriations to the fund; and

20 (2) gifts, bequests, and contributions of cash or other assets made by a person who
21 has specified their placement in the fund principal.

22 Sec. 37.14.410. NET INCOME ACCOUNT. (a) The net income account is established
23 in the Alaska heritage endowment fund. The net income account of the fund consists of

24 (1) money and other assets given by persons to the fund whose placement in the
25 principal of the fund is not required by AS 37.14.400(2); and

26 (2) amounts earned on the investment of gifts, bequests, and contributions of cash
27 or other assets whose placement in the principal of the fund is required under AS 37.14.400(2).

28 (b) The legislature may appropriate from the net income account to the principal of the
29 fund under AS 37.14.400(1).

30 (c) The net income of the fund shall be determined by the commissioner of revenue in
31 accordance with investment accounting principles and in a manner that preserves the distinction

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.

Never introduced

7-LS2160A
Chenoweth
3/4/92

SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 Suspending Uniform Rules 42(e), 41(b), 24(c), and 35 of the Alaska State Legislature
2 concerning House Bill No. 189, establishing the Alaska heritage endowment fund and
3 amending the responsibilities of the Alaska State Museum and of the Museum Collections
4 Advisory Committee.

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

6 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the provisions of Rule
7 42(e), Rule 41(b), Rule 24(c), and Rule 35 of the Uniform Rules, regarding changes to the title of a bill,
8 are suspended in consideration of House Bill No. 189, establishing the Alaska heritage endowment fund
9 and amending the responsibilities of the Alaska State Museum and of the Museum Collections Advisory
10 Committee.

5-6-92
Rep. Bayer

Analysis of Fiscal Note

SCS CSHB 189 - Establishing the Alaska Heritage Endowment Fund

(25.0) Revised Fiscal Note
(500.0) Department of Revenue Fiscal Note

The tax credit provision at AS 43.20.014(a) was created for contributions to educational institutions. This bill amends the credit to include contributions given to the museum endowment fund. While corporate donors will probably find the provisions of AS 43.20.014(a) generous, it alone does not provide an incentive to make contributions.

The Friends of the Alaska State Museum and the Friends of the Sheldon Jackson Museum are two non-profit entities formed to support the State Museums. They state that they will probably become the key solicitors for the endowment fund once it is approved (reference letter in bill packet). As such, they don't anticipate their corporate fund raising activities to begin before FY 94 and do not expect their marketing plan to raise more than \$50,000 per year. This may amount to a maximum tax credit of (25.0) per contribution per year.

The revised fiscal note of (25.0) more clearly reflects the intentions of the State Museum's marketing plan.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SCS CSHB 189

Revision Date: _____
Title: Establishing the Alaska heritage
endowment fund
Sponsor: Rep. Boyer, et. al.
Requestor: _____

Department Affected: Department of Revenue
BRU: Revenue Operations
Component: Income and Excise Audit
COMPONENT SERIAL NO. | 1 | 1 | 3 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0.0	(0.0)	(25.0)	(25.0)	(25.0)	(25.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS:

This bill amends AS 43.20.014(a) by adding a provision for tax credits attributable to cash contributions to the Alaska heritage endowment fund established under this bill. Corporations would be allowed to claim a credit of up to a maximum \$150,000 against their corporation net income tax liabilities for contributions to the endowment fund.

Prepared By: _____ Phone: _____
Division: _____ Date: May 5, 1992

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

No. 3

Bill Version: SCSCSHB 189(HES)

(S) Publish Date: 3-6-92

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SCS CSHB 189 (HES)

Revision Date: 3/4/92
Title: Establishing the Alaska heritage endowment fund
Sponsor: Rep. Bover, et. al.
Requestor: _____

Department Affected: Department of Revenue
BRU: Revenue Operations
Component: Income and Excise Audit

COMPONENT SERIAL NO. 1 | 1 | 3 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0.0	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS:

This bill amends AS 43.20.014(a) by adding a provision for tax credits attributable to cash contributions to the Alaska heritage endowment fund established under this bill. Corporations would be allowed to claim a credit of up to a maximum \$150,000 against their corporation net income tax liabilities for contributions to the endowment fund.

Prepared By: Paul E. Dick Phone: (907) 465-2321
Division: Income and Excise Audit Date: March 4, 1992

Approved by Commissioner: Darrel J. Rexwinkel Date: _____
Agency: Department of Revenue

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE CHAIRMAN
HOUSE FINANCE COMMITTEE

FAIRBANKS

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

JUNEAU

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

House of Representatives

To: Senator Pat Pourchot, Co-Chair
Senator Jay Kerttula, Co-Chair
Senate Finance Committee

From: Representative Mark Boyer *MB*

Date: April 10, 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 creates an endowment fund for the Alaska State Museum that will enable them to acquire outstanding Alaskan native art and historical Alaskan art and objects from international, national and state markets. The focus of this bill is primarily for acquisition funding,

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.

FAIRBANKS 20B

Page 2.
HB 189

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.

The Senate HESS Committee adopted our title change and language to include the State Museums as an additional institution qualifying under the Alaska Tax credit provisions.

If you need more information, please contact Nanci Jones of my staff at extension 3466. I appreciate your consideration.

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

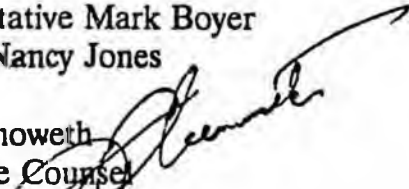
MEMORANDUM

February 25, 1992

SUBJECT: Tax credit for contribution to Alaska heritage endowment fund,
draft SCS CSHB 189 () (Work Order No. 7-LS0852M)

TO: Representative Mark Boyer
ATTN: Nancy Jones

FROM: Jack Chenoweth
Legislative Counsel



The new material added by this draft would expand the credit given against the Alaska Net Income Tax (AS 43.20) for a taxpayer's contributions to the Alaska heritage endowment fund. This would expand the credit now given for cash contributions for support of a range of activities for the state's public and private universities.

Your work draft request identified only the income tax as the levy against which the credit may be claimed. You should know, however, that state law currently also allows similar credits for contribution made to the support of a range of university activities under the oil and gas properties production tax (i.e. the state's severance tax)(AS 43.55.019(a)), the pipeline property tax (AS 43.56.018(a)), the state's mining license tax (AS 43.65.018(a)), and the state's fisheries tax (AS 43.75.018(a)).

The addition of the tax credit necessitates a bill title change. Accordingly, I refer you to the provisions of Uniform Rule 24(c):

(c) If a committee has more than one bill on the same subject or if it finds it necessary to revise a bill substantially, it may report out a substitute bill and recommend that the substitute be accepted for second reading in the place of the original bill. A committee of the second house may not report a committee substitute for a bill or an amendment to a bill that requires a change in the title of the bill, other than a clerical or technical change, as the title was enacted in the

house of origin. Substitute bills are duplicated and distributed when they are reported out by the committee. Committee substituted bills carry a notation of the source or sponsor of the original bill in the manner prescribed by the drafting manual unless the sponsor objects to the name so appearing.

to Uniform Rule 35:

AMENDMENT. A motion or proposition on a subject may not be admitted under color of amendment if the subject matter is different from that under consideration. A motion or proposition on a subject that requires a change in the title of the bill as enacted in the house of origin, other than a clerical or technical change, is not in order in the second house. . . .

and to Uniform Rule 41(b):

(b) An amendment to a bill introduced in the other house is not in order if the amendment requires a change of the bill title other than a clerical or technical change.

The prohibition may, of course, be avoided by adoption of a concurrent resolution under Uniform Rule 54:

SUSPENSION OF RULES. Unless otherwise provided for in the case of a particular rule, the Uniform Rules may be suspended by a concurrent resolution approved by a two-thirds vote of the full membership of each house. . . .

JBC:pl
92-131.plm

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

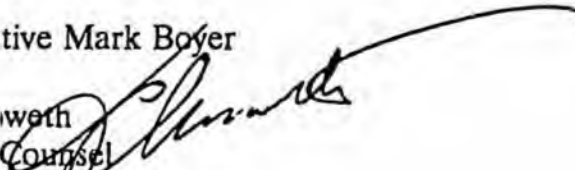
Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

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 37.14.400 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 37.14.410 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 37.14.420 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 37.14.430 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 8 gives the proposed Alaska Heritage Endowment Fund and the related material in the bill a July 1, 1992, effective date to coincide with the start of the next state fiscal year.

JC:gc:lmb
91-162.lmb



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



April 15, 1992

Representative Mark Boyer
Pouch V
Juneau AK 99811

Reference: SCS for HB189 (HESS) Heritage Endowment

Dear Representative Boyer;

It has been gratifying to note the considerable Legislative support for the Alaska Heritage Endowment. Supporters of the Alaska State Museums recognize the importance of establishing a mechanism to collect and focus the bequests and wishes of individuals who share an enthusiasm for collecting and preserving Alaska's history and heritage.

In regard to the March 4, 1992 Department of Revenue Fiscal Note attached to the measure, we believe that the note overstates our ability to promote and secure corporate donations. As the support entities for the State Museums, the undersigned Friends groups are the key, and probably the only entities that will be involved in the solicitation of capital for the Heritage Endowment (either through private gifts or corporate contributions). However, as non-profit organizations, relying principally on volunteer support, it is our expectation and experience that during the first several years no large corporate donations would be received.

When our organizations first discussed the Endowment we were looking at an economic climate that offered some hope for contributions from traditional supporters like Native Corporations or major corporate entities in Alaska. In the ensuing time, there has been a retrenchment within these industries and organizations and we no longer have realistic expectations that this level of corporate support exists. Without a deliberate marketing plan in place, we could only suggest that the greatest opportunity for tax incentive corporate gifts would come from non-traditional and new supporters, many who have never regarded the Museums as a cause to support. It will take a sophisticated campaign to draw these small businesses into our circle of supporters.

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Accordingly, it may take one or two years from the date of passage of HB189 to develop an effective solicitation program. Further we do not realistically expect corporate fundraising efforts from FY 95 to FY 98 to garner more than \$50,000 per year. While we believe the tax credit provision of HB189 will help in our fundraising efforts, we expect activity mostly from corporations without large endowments of their own. In any event, we certainly do not expect annual contributions to exceed \$50,000.

Sincerely,

Lisa Courigan Bell

Lisa Bell
President, Friends of
Alaska State Museum

IS/

Irene Schuller
President, Friends of
Sheldon Jackson Museum



**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.

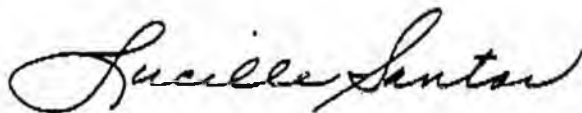
The provision to allow private donations into the fund is attractive, stressing the partnership between the State and private sector. The establishment of a separate endowment trust fund will provide donors, both corporate and individual, with the assurances that their donations and the income derived 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:

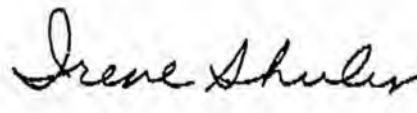
—two large oil paintings by Sydney Laurence:		\$200,000
--a collection of Tlingit ceremonial clothing:	\$ 7,000	
—Tlingit crest hat:		\$ 80,000
—a collection of Alaskan Eskimo drawings:		\$ 20,000
—historical mining equipment from Southeast Alaska:		\$ 10,000
—sketch of Loring Bay by Albert Bierstadt:		\$ 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 Shuler
 President, Friends of the
 Sheldon Jackson Museum
 Sitka, Alaska

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

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: Yugtarvik 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.