

H B

1 8 9

**FISCAL NOTE**

**STATE OF ALASKA  
1992 LEGISLATIVE SESSION**

**BILL NO. SCS CSHB 189**

Revision Date: 3/4/92  
 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						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>REVENUE FUND SOURCE</b>	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						
<b>TOTAL</b>	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

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Bill Version: CSHB 189(FIN)

(H) Publish Date: 2/3/92

REVENUE

Revision Date: \_\_\_\_\_

Department Affected: \_\_\_\_\_

Title: An Act establishing the Alaska  
Heritage Endowment

BRU: Operations

Component: Treasury Management

Sponsor: Representative Boyer

Requestor: House Finance Committee

COMPONENT SERIAL NO. 

0	1	2	1
---	---	---	---

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

Approved by Commissioner: \_\_\_\_\_

Agency: \_\_\_\_\_ Date: \_\_\_\_\_

# 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 Arliss Sturgulewski, Chair  
Senate HESS Committee

From: Representative Mark Boyer 

Date: February 5, 1992

Subject: Scheduling of CSHB 189

I respectfully request scheduling of the above referenced bill entitled "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."

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 ranged from zero to an average of less than \$60,000 over the last 14 years. Additionally, materials frequently come on the market and are sold long before the normal appropriation process can be completed. HB 189 creates a perpetual fund within the general fund that will allow private monetary donations in addition to appropriations from the legislature to remain available to the State museum for acquisitions.

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 this new fund, private and corporate donors may contribute with a comfort level that the fund will have separate accounting within the general fund.

This legislation passed the House today, February 5, with a 38-0 vote. I would encourage your co-sponsorship and an early hearing date in your committee. Thank you for your consideration.

**DIVISION OF LEGAL SERVICES**

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

P.O. Box Y, Juneau, Alaska 99811  
(907) 465-3367 or 465-2450  
FAX (907) 465-2029

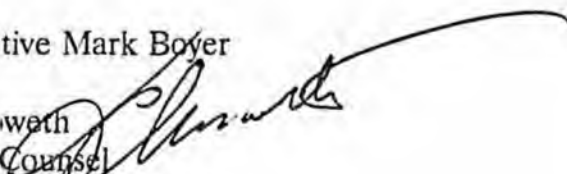
Deliveries to: 240 Main Street  
Court Plaza, Room 500  
Mail Stop 3101

**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 37.14.300 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

Representative Mark Loyer

May 8, 1991

Page 2

-- 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 Loyer  
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

7-LS0852M

Chenoweth

2/25/92

## SENATE CS FOR CS FOR HOUSE BILL NO. 189 ( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

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

## A BILL

## FOR AN ACT ENTITLED

1 "An Act establishing the Alaska heritage endowment fund, authorizing tax credits against  
2 the Alaska net income tax for contributions to the fund, and amending the responsibilities  
3 of the Alaska State Museum and of the Museum Collections Advisory Committee; and  
4 providing for an effective date."

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

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

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

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

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



1 (4) much of Alaska's cultural and historic resources have been and remain in great  
2 demand nationally and internationally, as a consequence of which the state has been stripped of a  
3 substantial portion of its material cultural heritage; the process continues with sale from in-state  
4 collections to nonresidents of works of significant artistic or historical value;

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

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

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

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

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

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

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

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

30 (b) Artifacts, natural history specimens, art objects, collections, or other items, materials  
31 or properties that relate to the history of Alaska and are appropriate for preservation in the state

1 museum of a value of \$1,000 or more may not be acquired by purchase, gift, or exchange, or  
2 otherwise [,] nor may any item owned by, or in the custody of, the state museum be disposed of  
3 by sale, gift, exchange, or otherwise, without the written approval of the committee. In  
4 recommending the acquisition or disposal of an item under this subsection for the state  
5 museum, the committee shall evaluate the need for the item or collection proposed for  
6 acquisition or disposal with reference to the scope of collections of the state museums.

7 \* Sec. 3. AS 14.57.080 is amended to read:

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

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

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

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

17 (1) the Alaska State Museum; and

18 (2) the Sheldon Jackson Museum.

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

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

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

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

31 (3) assign long-term custody of an item to an institution having custody of an

1 item acquired from the net income account of the fund if the director is satisfied that the  
 2 institution to which custody of the item is transferred will provide necessary care and protection  
 3 of the item in accordance with a contract entered into under (1) of this section.

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

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

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

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

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

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

16 ARTICLE 5. ALASKA HERITAGE ENDOWMENT FUND.

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

20 (1) legislative appropriations to the fund; and

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

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

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

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

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

31 (c) The net income of the fund shall be determined by the commissioner of revenue in

1 accordance with investment accounting principles and in a manner that preserves the distinction  
2 between principal and income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (2) the administrative expenses of the Museum Collection Advisory Committee  
2 relating to acquisitions from the fund, as determined by the legislature;

3 (3) acquisitions authorized by AS 14.57.100 - 14.57.199; and

4 (4) reimbursement of other costs of administration of the fund.

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

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

10 ~~A~~ \* Sec. 6. AS 37.14 is amended by adding a new section to read:

11 Sec. 37.14.435. REPORT OF CERTAIN CONTRIBUTIONS. By September 30 of each  
12 year, the commissioner of revenue shall report to the Legislative Budget and Audit Committee  
13 on contributions to the fund that were received during the previous fiscal year for which credits  
14 taken under AS 43.20.014 are allowed.

15 ~~A~~ \* Sec. 7. AS 43.20.014(a) is amended to read:

16 (a) For cash contributions accepted for direct instruction, research, and educational  
17 support purposes, including library and museum acquisitions, and contributions to endowment,  
18 by a nonprofit, public or private, Alaska two-year or four-year college or by an Alaska university  
19 foundation accredited by a regional accreditation association, and for cash contributions to the  
20 Alaska heritage endowment fund established by AS 37.14.400 - 37.14.440, a taxpayer is  
21 allowed as a credit against the tax due under this chapter

22 (1) 50 percent of contributions of not more than \$100,000; and

23 (2) 100 percent of the next \$100,000 of contributions.

24 \* Sec. 8. Sections 1 - 5 of this Act take effect July 1, 1992.

25 \* Sec. 9. Sections 6 and 7 of this Act take effect January 1, 1993, and apply to tax years beginning  
26 after December 31, 1992.



# 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: Yugtarnvik 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.

April 25, 1991

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.

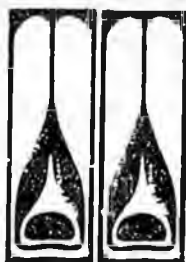
If you have further questions, please do not hesitate to call.

Sincerely,



Steve Hole  
Acting Commissioner  
by Bruce Kato  
Acting Museum Administrator

Enclosures



**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.

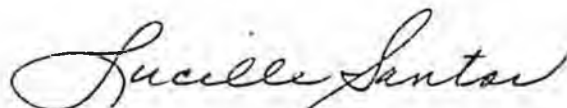
The provision to allow private donations into the fund is attractive, stressing the partnership between the State and private sector. The establishment of a separate endowment trust fund will provide donors, both corporate and individual, with the assurances that their donations and the income derived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

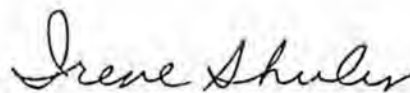
—two large oil paintings by Sydney Laurence:		\$200,000
—a collection of Tlingit ceremonial clothing:	\$ 7,000	
—Tlingit crest hat:		\$ 80,000
—a collection of Alaskan Eskimo drawings:		\$ 20,000
—historical mining equipment from Southeast Alaska:		\$ 10,000
—sketch of Loring Bay by Albert Bierstadt: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

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



---

Final Draft

# Alaska Heritage Endowment Report

# Executive Summary: Alaska Heritage Endowment Fund

It is proposed that the State of Alaska establish an endowment fund to provide supplemental funding for purchase of exceptional artifactual and archival materials by museums, historical libraries, and archives statewide.

## Need for a Heritage Endowment Fund

Outstanding Alaskan native art, historical Alaskan art, historical objects, and archival materials are in great demand in state, national, and international markets. Yet, Alaskan museums, historical libraries, and archives do not have sufficient funding to effectively compete in these markets. As a result, essential Alaskan cultural materials continue to flow from or remain outside the state.

## Structure, Operation, and Funding of An Alaska Heritage Endowment Fund

An initial appropriation to the Alaska Heritage Endowment would be invested and managed by the Department of Revenue. A Board of Trustees, established and governed by statute, would be created within the Department of Education to oversee expenditure of annual derived income from this fund. Derived income would be used to purchase exceptional artifactual and archival materials, pay for annual costs to manage the fund, and cover expenses of the Board of Trustees.

There appear to be no legal obstacles to establishment of such a fund if the Legislature annually appropriates derived income to the purposes of the endowment.

A first phase appropriation of \$7,500,000 for the endowment, followed by an additional appropriation in two to three years is recommended. A \$7,750,000 endowment would generate approximately \$750,000 per year for statewide preservation of Alaska's heritage.

## Benefits

An Alaska Heritage Endowment Fund would:

- Provide continuing funding through a one- or two-time appropriation for preservation of Alaska's heritage.
- Enable private and public sector partnership in heritage preservation by providing a mechanism for the state to obtain bequests and donations.
- Serve museums, historical libraries, and archives statewide.
- Assure that outstanding heritage resources are retained or returned to Alaska for the perpetual benefit of Alaskans.

## Introduction

Cultural, art, archival, and scientific materials physically and spiritually represent and document Alaska's land and people from prehistoric times to present. These materials:

- Reflect and represent Alaska's artistic and cultural achievements
- Document historical events and personalities
- Provide for advancement of historical and scientific research
- Communicate information, ideas, values, and emotion from person to person and generation to generation
- Support development of quality Alaskan education through direct access to objects and materials of exceptional significance and quality
- Affirm Alaska's unique culture and environment.

The importance attached to preservation of the state's heritage materials is a measure of Alaska's pride and identity with its past, present, and future.

The purpose of museums, historical libraries, and archives is to collect, preserve, and use irreplaceable cultural resources to enrich and benefit present and future generations. At present, this purpose cannot adequately be achieved.

The Alaska State Museum was funded by the Legislature to prepare a report on the potential of a state-funded Endowment Fund to better preserve Alaska's heritage. A Steering Committee comprised of members of the public, and museum, historical library, and archives professionals from throughout the state has analyzed statewide heritage preservation needs and formulated the following plan for an Endowment Fund to meet those needs.

## Need for Alaska Heritage Endowment Fund: Conclusion

Alaska's cultural, historic, and scientific resources are an integral part of our individual and collective identity. They reflect our finest achievements, our history, and our cultural diversity. They provide the basis for understanding ourselves and our future.

Investment in cultural, historic, and scientific materials reflects pride in what we are and confidence in what we can become. It is truly a unique investment, one that permanently benefits present and future generations of Alaskans.

In 1921 the Territorial Legislature of Alaska authorized \$15,000 for the Alaska Historical Library and Museum to purchase the Neuman collection of Eskimo materials. This comprised .017 percent of the Territory's annual operating budget. In 1982 the State of Alaska authorized \$255,000 for acquisition of cultural/historic materials. That amount comprised .000115 percent of the total state budget.

A greater number of Alaska's precious cultural and historic resources should be retained in or returned to Alaska for the primary use of Alaskans. The time is long overdue for Alaska to aggressively preserve its heritage. If that preservation is to take place it is necessary to create a new and expanded capability for all museums, historical libraries, and archives to purchase exceptional heritage materials when the opportunity arises.

The Alaska Heritage Endowment Fund can be an innovative means of achieving this goal.

## Alaska Heritage Endowment Fund: Statement of Purpose

The Alaska Heritage Endowment Fund would substantially improve Alaska's capability to preserve and use its cultural heritage by:

- Enabling museums, historical libraries, and archives statewide to purchase objects or collections of exceptional significance to Alaska's cultural, historic, and scientific heritage.
- Supplementing rather than supplanting existing museum, historical library, and archives acquisitions funding and programs.
- Increasing statewide public access to premiere Alaskan heritage materials.



Examples of Alaskan fauna from various of the museum's collections. University of Alaska Museum. (photo by Barry McWayne)