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189

Alaska State Legislature

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House of Representatives

To: Senator Rick Halford, Chair
Judiciary Committee

From: Representative Mark Boyer 

Date: March 10, 1992

Subject: Waiver for SCSCSHB 189

The above referenced bill entitled "An Act establishing the Alaska heritage endowment fund, authorizing tax credits against the Alaska net income tax for contributions to the fund, and amending the responsibilities of the Alaska State Museum and of the Museum Collections Advisory Committee; and providing for an effective date", is currently in your committee. I am asking for your consideration of waiving this bill out of your committee to its next committee, Finance.

SCSCSHB 189 was introduced to provide a mechanism for the Alaska State Museums to receive additional funding for acquisitions from private donors. The current budget for the State museum's does not provide a non-lapsing mechanism for monies appropriated or donated for acquisitions. By establishing this fund, monies will be available, once appropriated or donated, at all times to fund major acquisitions. This idea is not new. The 1981 legislature appropriated funds to review the issues associated with securing a secure funding source for museum acquisitions. Their 1982 report recommended an endowment like that created by HB 189.

This bill defines the Department of Revenue's responsibility as the trustee of the fund and also acts to increase the responsibilities of the Museum Collections Advisory Committee to monitor the museum's scope of collections and expenditures from the fund.

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Senator Rick Halford

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 for donations by corporations.

There are no apparent issues inclusive in this bill that would require Judicial consideration. The committees of referral have been Health and Social Services and Finance in both the House and Senate. I would appreciate your consideration of this waiver. I have included memos to Senate HESS for more information as well as excerpts from the referenced study.

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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.

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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.

Benefits of an Alaska Heritage Endowment Fund

Creation of an Alaska Heritage Endowment Fund would result in capability for Alaska to, for the first time, adequately collect and preserve its exceptional material heritage — a heritage which reflects the achievements and history of all Alaskans from prehistoric times to present.

The Alaska Heritage Endowment Fund would benefit Alaskans, now and in the future, by:

- Establishing a one-time permanent investment in Alaska's heritage
- Developing an innovative and unprecedented way for the public and private sector to work in partnership for preservation of Alaska's heritage
- Providing the capability for Alaskan museums, historical libraries, and archives to retain or return Alaska's exceptional heritage resources
- Creating a program which meets statewide needs and assures statewide participation by museums, historical libraries, and archives
- Building collections of premiere heritage materials which are accessible to the public and able to fully document and profile Alaska's special human and natural character
- Building a legacy of permanent Alaskan cultural, historical and scientific materials which can be handed down to future generations.