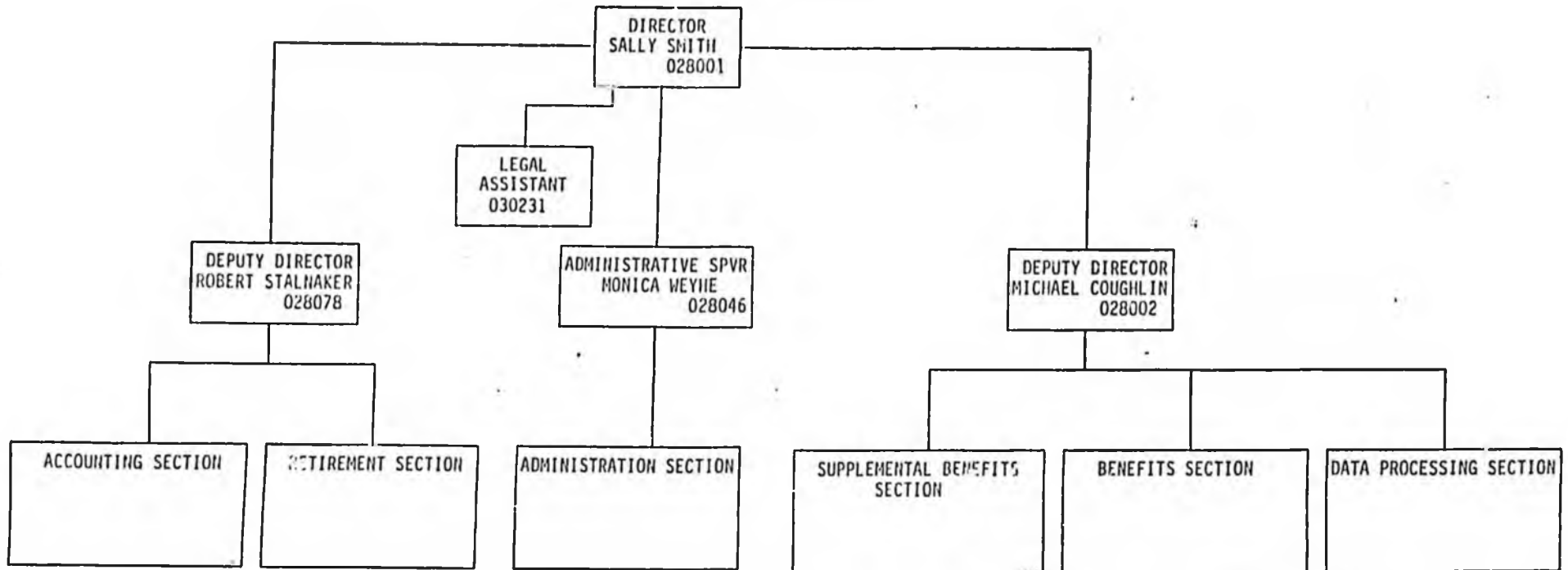


ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6086 HOUSE STATE AFFAIRS

490

FUNCTIONAL CHART
OCTOBER 1, 1988





PERS

NEWSBREAK

Alaska Public Employees' Retirement System

Number 33

January 1989

Federal Income Tax Withholding

If you want to change the amount being withheld from your PERS checks, you must file a new **W-4P** form (Withholding Certificate for Pension or Annuity Payments) with the Division of Retirement and Benefits. You may choose from three options:

- Elect no withholding and pay your taxes directly to the Internal Revenue Service (IRS). You should contact the IRS about filing requirements and deadlines to avoid interest or penalty charges.
- Specify your withholding allowances.
- Specify your withholding allowances plus have an additional amount withheld.

Active employees can change their withholding by filing a **W-4** or **W-4a** form with their employers. These forms are normally available at personnel offices.

Remember, it is your responsibility to make sure that enough federal tax is being withheld. If the amounts withheld or paid as estimated tax do not meet your tax obligation, the IRS may assess interest or penalty charges. Therefore, it is a good idea to review your withholding option annually to make sure that it is up-to-date.

Questions about taxes and withholding should be directed to the IRS.

W2-P's

All PERS benefit recipients were mailed a **W-2P** at the end of January.

If you are receiving PERS benefits, you will need the **W-2P** to file your federal income tax return. It will show your annual income from the PERS and income tax, if any, withheld during 1988.

Healthful Hints! How to Cut Medical Expenses

Patients may be able to cut their medical expenses by asking their doctors these questions before medical services are performed:

- (1) How much will it cost?
- (2) Is it covered by my insurance or medicare plan?

Although many people are reluctant to ask these questions, the answers are extremely important since most medical plans limit the amounts that they will pay for certain medical procedures.

A good example is the group medical plans administered by the State of Alaska which only reimburse covered expenses up to the usual, customary and reasonable (UCR) amounts established by the insurance carrier. Whenever covered medical expenses exceed the UCR, the patient is responsible for paying the excess.

If you are unsure whether services will be less than the UCR, you

may wish to call Aetna at 800-426-3211. You will need to know how much the doctor is going to charge and what services he is going to provide before you place your call.

By asking "how much" and finding out if the expenses are covered by insurance ahead of time, you will be better prepared. If the doctor's fee exceeds the UCR or the medical procedure is not covered by insurance, both you and the doctor will have a chance to consider alternatives.

Pension Adjustments

There has been some concern as to how the post retirement pension adjustments (PRPAs) are calculated.

Here are some examples of how much retirees' monthly checks increased as a result of the PRPA that was granted effective July 1, 1988.

Using \$1,000 as the benefit amount, retirees who retired on these dates received:

October 1, 1986	\$ 12.17
October 1, 1976	119.61
August 1, 1968	164.76

Those who retired before 1980 generally received larger PRPAs. More recent retirees either received small PRPAs or none at all because their benefits have kept pace with the relatively small cost of living increases the past several years.

PRPAs may be granted to PERS retirees when there is an increase in the Anchorage Consumer Price Index (CPI) for urban wage earners and clerical workers.

Additional factors are also considered for members who were first hired under the PERS before July 1, 1986.

Continued on page 3

REMINDER - Direct Bank Deposits

Are your PERS benefit checks mailed directly to your bank account? If so, notify the PERS right away when there is a change in the bank's address or your account number. This is especially important when a bank merges or closes down the branch office where you do business.

To change your address, just send the PERS a signed request with your name, social security number, new address and account number.



Statement of PERS Assets

As of June 30, 1988

CASH POSITION		ASSETS	
Net Assets on June 30, 1987	\$2,010,196,000	Cash	\$ 1,710,000
Net Decrease in Market Value of Investments held at June 30, 1988	(112,755,000)	Short Term Investments	23,432,000
Additions		U.S. Govt. Securities	874,896,000
Employee Contributions	66,732,000	Other Notes and Bonds	225,931,000
Employer Contributions	108,767,000	Domestic Stocks	556,880,000
Investment Income	<u>154,468,000</u>	Foreign Stocks and Bonds	138,421,000
TOTAL ADDITIONS	\$ 329,967,000	Real Estate Equity Fund	140,802,000
Deductions		Real Estate Mortgages and Small Business Loans	114,934,000
Benefits Paid	85,340,000	Receivables, including Investment Income and Contributions	<u>49,410,000</u>
Member Refunds	11,409,000	TOTAL ASSETS	\$2,126,416,000
Administrative Expenses	<u>6,964,000</u>		
TOTAL DEDUCTIONS	\$ 103,713,000	LIABILITY	
		Accrued Expenses	(2,721,000)
BALANCE ON JUNE 30, 1988	\$2,123,695,000	NET ASSETS ON JUNE 30, 1988	\$2,123,695,000

The PERS continues to make satisfactory funding progress. During fiscal year 1988, the PERS fund increased by \$217,212,000 due to contributions received and investment income (adjusted to reflect market values). The PERS paid out \$103,713,000 in benefits, refunds and administrative expenses.

Governor's Corner

Retirement - A Time for Enjoyment and Enrichment

By Governor Steve Cowper

Your participation in the Public Employees' Retirement System (PERS) will help you prepare for retirement - that special time of your life when you will be able to pursue special interests and do the things you have always wanted to do.

The Alaska PERS was established in 1961 to attract qualified people into public service employment. Since that time, it has undergone many improvements. Most experts agree that it is one of the best plans in the nation. The PERS offers a wide variety of generous benefits designed to provide financial security to you and your family:

- Retirement Benefits
- Occupational and Nonoccupational Disability Benefits
- Survivor's Benefits
- Major Medical Insurance Coverage
- Post Retirement Pension Adjustments
- Alaska Cost of Living Allowance for Alaska residents

The "major medical insurance coverage" has become an extremely

important and valuable benefit because of the skyrocketing cost of medical care. The coverage begins when you start drawing retirement or disability benefits; and if you were first hired under the PERS before July 1, 1986, there is no cost to you. If you were hired later, you will also be eligible for this coverage at no cost after age 65.

You can feel secure in knowing that your retirement system is fi-

nancially sound because it is actuarially funded. That means that contributions, sufficient to pay for future benefits must be paid into the retirement fund now. As a PERS member, you contribute 6.75% of your salary (7.5% if you are a peace officer or fireman). However, since your contributions are not enough to pay for all the benefits you and your survivors could receive, your employer contributes the balance needed to actuarially fund the system. Those contributions are deposited into the PERS fund, which is carefully managed and invested by the Department of Revenue.

Even though you participate in the PERS, you should take a close look at your present and future savings, investments, annuity and retirement benefits, to make sure that you will have enough income when you retire. The benefits available from the PERS will help make it possible for you to enjoy your retirement years in comfort.

Highlights

During fiscal year 1988:

- There were 26,676 PERS employees working for 126 PERS employers.
- \$19,499,103 in interest was credited to PERS employees' accounts.
- On the average, PERS employees paid 9.38% of each employee's gross salary in addition to the contributions paid by the employee.
- 6,702 people received monthly PERS benefits, an increase of 18.24% over fiscal year 1987.
- On the average, PERS benefit recipients received \$11,328 during the year.
- Total benefits paid increased 26% over fiscal year 1987.

Board Meetings

The PERS Board met in Anchorage on January 24 and 25 to hear members' appeals.

The board will meet again in Juneau for its semi-annual meeting on April 5 and 6. At that meeting, the board will review the annual actuarial valuation for the PERS and hear members' appeals in addition to regular board business. A combined PERS and Teachers' Retirement System (TRS) investment meeting with State Department of Revenue officials will also be held on April 4.

PERS retirees and members who are interested in attending should contact the Division of Retirement and Benefits for the exact time and location of the meeting.

PERS Benefit Checks

Checks are mailed around the end of the month to PERS benefit recipients (retirees, disabled members and survivors). Because the actual mailing and pay dates vary each month, we are providing 1989 mailing dates below to give recipients a better idea of when to expect their checks. Even though the pay date is the last working day of the month, checks are mailed to benefit recipients as shown below:

January 26	July 26
February 23	August 25
March 24	September 25
April 24	October 26
May 25	November 24
June 26	December 22

Pension Adjustments - Continued from page 1

On that date, the new *automatic PRPA* provision was adopted and the old *ad hoc PRPA* provision was eliminated for new members who were first hired after June 30, 1986. For earlier members who are

covered under both provisions, the PERS calculates PRPAs using both the automatic and ad hoc formulas and then pays the larger amount to make sure that they receive the best possible benefit.

Commissioner's Comments

DVA and LTC Options

By John Andrews, Commissioner
Department of Administration

The cost of Dental-Vision-Audio (DVA) insurance for retirees will drop 29 percent beginning February 1, 1989. At the same time, two new options will be added so retirees can choose DVA coverage that best fits their personal needs. The new monthly rates for all options are:

\$ 29.10	Retiree Only
58.20	Retiree and Spouse (new option)
52.60	Retiree and Children (new option)
81.40	Retiree, Spouse and Children

To decrease the rates and make DVA insurance more affordable, some restrictions to the plan are necessary. For example, a \$50 deductible for class I and II dental services will be instituted. Other changes include the following reductions in coverage:

- 100% to 80% for class I dental services, such as exams, x-rays and cleaning;
- 90% to 80% for class II den-

tal services, such as fillings and extractions; and

- 90% to 80% for vision services.

On the other hand, the annual maximum for covered dental expenses will increase to \$1,500.

The Long Term Care (LTC) insurance rates will also drop 2-1/2% beginning February 1, 1989. The state reopened negotiations with the insurance carrier when the rates increased 10% last August. After some tough negotiations, the carrier agreed to the new rates. LTC participants will be contacted directly about the new rates and other plan changes.

Retirees have also requested more flexibility in changing who is included under their DVA and Long-Term Care (LTC) coverage. Regulations are being adopted to allow retirees to reduce their DVA and LTC coverage whenever they want. For example, retirees who are enrolled for "retiree and spouse" coverage may change to "retiree only."

If your monthly check does not arrive within 15 days of the above mailing date, please let us know so we can issue a new check. However, please wait until the 15 days are past since we **cannot** issue a new check until then. That also gives your check time to arrive if it is late because of the mail.

Do let us know right away when a check is lost or stolen - do not wait 15 days.

Retirees should carefully weigh their future needs **before** reducing coverage. Coverage may be increased only under special circumstances. DVA and LTC coverage, for instance, may be increased within 120 days of a retiree's marriage. DVA may also be increased within 120 days of the birth or adoption of a first child.

These changes will make it easier for retirees to tailor their coverages more to their needs and to make them more affordable.

Want to Meet With Us?

PERS representatives will be visiting the following locations to meet with employees and answer questions. Employees who want to meet with representatives should contact their personnel offices or the Division of Retirement and Benefits to set up appointments.

The travel schedule is as follows:

Bill Church the week of
 Mar. 20.....Nome, Kotzebue
 May 1.....Dillingham

David Watson the week of
 Apr. 17.....Sitka
 May 22.....Hoonah, Angoon,
 Pelican

Mary Lou Niemann the week of
 Apr. 10.....Fairbanks
 May 8.....Nenana, Healy

Sue Palmer the week of
 Mar. 20.....Palmer, Wasilla
 Apr. 3.....Yakutat, Cordova,
 Valdez
 May 1.....Kenai Peninsula

Division of Retirement and Benefits
 P. O. Box CR
 Juneau, Alaska 99811-0203

Where Are You?

We are trying to locate the following people who may be eligible for refunds or benefits. If you can help, contact the appropriate section of the Division of Retirement and benefits.

Accounting Section

Boduch, Barbara
 Clark, Faith I.
 Deptula, Benjamin C.
 Edison, Eddie L.
 Hall, Eugene
 Hayward, Thomas G.
 Lang, James J.
 Oslund, Mark D.
 Park, Sam
 Pittman, Daniel J.

Supplemental Benefits System (SBS) Section

Adkins, Lark K.
 Allen, Ronald R.
 Anderson, Randy C.
 Backford, Mary
 Bailey, Luther R.
 Barnett, Nicole M.
 Baumgartner, Gail R.
 Bennett, Warren W.
 Benson, Benjamin

Benefits Section

Durkin, Allyson
 Durkin, Kevin
 Gillford, Sylvia
 Grissom, Cleo T.
 Hutter, John A.
 Judd, Cynthia
 Phillips, Eugene D.
 Randall, James I.
 Storck, Phuong Thi

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 (Chair)

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 Michael Andrews

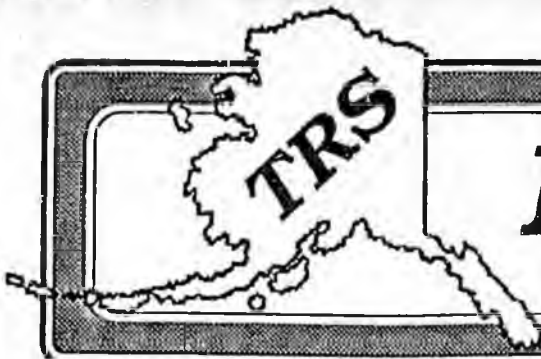
Mary A. Notar
 Pat Wellington

PEKS Newsbreak is published quarterly by the Division of Retirement & Benefits, Sally Smith, Director and PERS Administrator; Carol Storkel, Editor.

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NEWSBREAK

Alaska Teachers' Retirement System

Number 33

January 1989

Federal Income Tax Withholding

If you want to change the amount being withheld from your TRS checks, you must file a new **W-4P** form (Withholding Certificate for Pension or Annuity Payments) with the Division of Retirement and Benefits. You may choose from three options:

- Elect no withholding and pay your taxes directly to the Internal Revenue Service (IRS). You should contact the IRS about filing requirements and deadlines to avoid interest or penalty charges.
- Specify your withholding allowances.
- Specify your withholding allowances plus have an additional amount withheld.

Active employees can change their withholding by filing a **W-4** or **W-4a** form with their employers. These forms are normally available at personnel offices.

Remember, it is your responsibility to make sure that enough federal tax is being withheld. If the amounts withheld or paid as estimated tax do not meet your tax obligation, the IRS may assess interest or penalty charges. Therefore, it is a good idea to review your withholding option annually to make sure that it is up-to-date.

Questions about taxes and withholding should be directed to the IRS.

W2-P's

All TRS benefit recipients were mailed a **W-2P** at the end of January.

If you are receiving TRS benefits, you will need the **W-2P** to file your federal income tax return. It will show your annual income from the TRS and income tax, if any, withheld during 1988.

Healthful Hints! How to Cut Medical Expenses

Patients may be able to cut their medical expenses by asking their doctors these questions **before** medical services are performed:

- (1) How much will it cost?
- (2) Is it covered by my insurance or medicare plan?

Although many people are reluctant to ask these questions, the answers are extremely important since most medical plans limit the amounts that they will pay for certain medical procedures.

A good example is the group medical plans administered by the State of Alaska which only reimburse covered expenses up to the usual, customary and reasonable (UCR) amounts established by the insurance carrier. Whenever covered medical expenses exceed the UCR, the patient is responsible for paying the excess.

If you are unsure whether services will be less than the UCR, you

may wish to call Aetna at 800-426-3211. You will need to know how much the doctor is going to charge and what services he is going to provide before you place your call.

By asking "how much" and finding out if the expenses are covered by insurance ahead of time, you will be better prepared. If the doctor's fee exceeds the UCR or the medical procedure is not covered by insurance, both you and the doctor will have a chance to consider alternatives.

Pension Adjustments

There has been some concern as to how the post retirement pension adjustments (PRPAs) are calculated.

Here are some examples of how much retirees' monthly checks increased as a result of the PRPA that was granted effective July 1, 1988.

Using \$1,000 as the benefit amount, retirees who retired on these dates received:

July 1, 1986	\$ 10.28
July 1, 1976	120.79
July 1, 1966	178.80

Those who retired before 1980 generally received larger PRPAs. More recent retirees either received small PRPAs or none at all because their benefits have kept pace with the relatively small cost of living increases the past several years.

PRPAs may be granted to TRS retirees if: (1) there is an increase in the Anchorage Consumer Price Index (CPI) for urban wage earners and clerical workers; and (2) the financial condition of the TRS fund will permit a PRPA.

PRPAs are calculated by multiplying the retiree's base benefit by

Continued on page 3

REMINDER - Direct Bank Deposits

Are your TRS benefit checks mailed directly to your bank account? If so, notify the TRS right away when there is a change in the bank's address or your account number. This is especially important when a bank merges or closes down the branch office where you do business.

To change your address, just send the TRS a signed request with your name, social security number, new address and account number.



Statement of TRS Assets

As of June 30, 1988

CASH POSITION		ASSETS	
Net Assets on June 30, 1987	\$1,303,464,000	Cash	\$ 4,641,000
Net Decrease in Market Value of Investments held at June 30, 1988	(75,566,000)	Short Term Investments	20,832,000
		U.S. Govt. Securities	523,379,000
		Other Notes and Bonds	144,387,000
		Domestic Stocks	359,898,000
Additions		Foreign Stocks and Bonds	91,246,000
Employee Contributions	33,104,000	Real Estate Equity Fund	85,587,000
Employer Contributions	69,363,000	Real Estate Mortgages and Small Business Loans	98,140,000
Investment Income	<u>100,239,000</u>	Receivables, including Investment Income and Contributions	<u>30,057,000</u>
TOTAL ADDITIONS	\$ 202,706,000	TOTAL ASSETS	\$1,358,167,000
Deductions			
Benefits Paid	65,979,000		
Member Refunds	3,798,000		
Administrative Expenses	<u>4,252,000</u>		
TOTAL DEDUCTIONS	\$ 74,029,000		
BALANCE ON JUNE 30, 1988	\$1,356,575,000		

LIABILITY	
Accrued Expenses	(1,592,000)
NET ASSETS ON JUNE 30, 1988	\$1,356,575,000

The TRS continues to make satisfactory funding progress. During fiscal year 1988, the fund increased by \$127,140,000 due to contributions received and investment income (adjusted to reflect market values). The TRS paid out \$74,029,000 in benefits, refunds and administrative expenses.

Governor's Corner

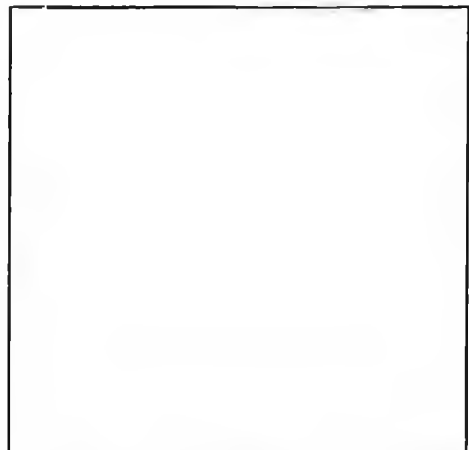
Retirement - A Time for Enjoyment and Enrichment

By Governor Steve Cowper

Your participation in the Teachers' Retirement System (TRS) will help you prepare for retirement - that special time of your life when you will be able to pursue special interests and do the things you have always wanted to do.

The Alaska TRS was established in 1955 to attract qualified people into public service employment. Since that time, it has undergone many improvements. Most experts agree that it is one of the best plans in the nation. The TRS offers a wide variety of generous benefits designed to provide financial security to you and your family:

- Retirement Benefits
- Disability Benefits
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- Major Medical Insurance Coverage
- Post Retirement Pension Adjustments
- Alaska Cost of Living Allowance for Alaska residents



The "major medical insurance coverage" has become an extremely important and valuable benefit because of the skyrocketing cost of medical care. The coverage begins when you start drawing retirement or disability benefits at no cost to you.

You can feel secure in knowing that your retirement system is fi-

nancially sound because it is actuarially funded. That means that contributions, sufficient to pay for future benefits, must be paid into the retirement fund now. As a TRS member, you contribute 7% of your salary. However, since your contributions are not enough to pay for all the benefits you and your survivors could receive, your employer contributes the balance needed to actuarially fund the system. Those contributions are deposited into the TRS fund, which is carefully managed and invested by the Department of Revenue.

Even though you participate in the TRS, you should take a close look at your present and future savings, investments, annuity and retirement benefits, to make sure that you will have enough income when you retire. The benefits available from the TRS will help make it possible for you to enjoy your retirement years in comfort.

Highlights

During fiscal year 1988:

- There were 8,218 TRS members working for 65 TRS employers.
- \$11,539,894 in interest was credited to TRS members' accounts.
- TRS employers paid 13.76% of each member's gross salary in addition to the 7% paid by the member.
- 2,972 people received monthly TRS benefits, an increase of 23.78% over fiscal year 1987.
- TRS benefit recipients received an average of \$21,240 during the year.
- Total benefits paid increased 29.9% over fiscal year 1987.

Spring Board Meeting

The TRS Board will meet in Juneau for the semi-annual board meeting on April 3. At that meeting, the board will review the annual actuarial valuation for the TRS and hear members' appeals in addition to regular board business. A combined TRS and Public Employees' Retirement System (PERS) investment meeting with State Department of Revenue officials will also be held on April 4.

TRS retirees and members who are interested in attending should contact the Division of Retirement and Benefits for the exact time and location of the meeting.

TRS Benefit Checks

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Pension Adjustments - Continued from page 1

the PRPA percentage. The PRPA percentage is equal to the lesser of:

- the increase in the Anchorage Consumer Price Index (CPI) for urban wage earners and clerical workers between the retirement date and PRPA date, reduced by prior PRPAs (percentages) paid; or

- 4% for each year of retirement,

reduced by prior PRPAs (percentages) paid. In other words, for someone who is retired five years, the percentage would be 20%. However, if that person already received prior PRPAs equal to 17%, the percentage would be reduced to 3%. Multiply that 3% times the base benefit to figure the monthly PRPA amount.

Commissioner's Comments

DVA and LTC Options

By John Andrews, Commissioner
Department of Administration

The cost of Dental-Vision-Audio (DVA) insurance for retirees will drop 29 percent beginning February 1, 1989. At the same time, two new options will be added so retirees can choose DVA coverage that best fits their personal needs. The new monthly rates for all options are:

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(new option)
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"retiree only."

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 Barnett, Nicole M.
 Baumgartner, Gail R.
 Bennett, Warren W.
 Benson, Benjamin

Benefits Section

Durkin, Allyson
 Durkin, Kevin
 Gifford, Sylvia
 Grissom, Cleo T.
 Hutler, John A.
 Judd, Cynthia
 Phillips, Eugene D.
 Randall, James I.
 Storck, Phuong Thi

BOARD MEMBERS

Charles Arteaga
 (Chair)

Dorothy Wells
 Merritt Olson

Garris "Bob" Covington
 Stephanie Winsor

TRS Newsbreak is published quarterly by the Division of Retirement & Benefits, Sally Smith, Director and TRS Administrator; Carol Storck, Editor.

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 Juneau, Alaska 99811-0203
 Phone: (907) 465-4460

701 East Tudor Road, Suite 240
 Anchorage, Alaska 99503
 Phone: (907) 563-5885

Division of Retirement and Benefits
 P. O. Box CR
 Juneau, Alaska 99811-0203

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***LONGEVITY
BONUS FOR
MISSIONARIES***

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of absence*

*voluntary
recognition*

1 IN THE HOUSE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to qualification for longevity bonus
7 payments; and providing for an effective date."

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

9 * Section 1. AS 47.45.030 is amended to read:

10 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification, a
11 recipient shall notify the commissioner of administration when the
12 recipient expects to be absent from the state if the absence is for a
13 continuous period that exceeds 30 days. After that notification, the
14 recipient may no longer receive bonuses from the Department of Admin-
15 istration after the last regularly approved monthly application. Upon
16 returning to the state, the recipient may again make application for a
17 bonus. Whenever the absence is for a continuous period that exceeds
18 90 days the recipient shall be disqualified from receiving bonuses for
19 the next 12 calendar months after returning to the state. However,
20 when the commissioner of administration determines a period of absence
21 is beyond the control of the recipient ^{and is covered by a program} or is required by the recipi-
22 ent's religious beliefs, the recipient may not be disqualified if the
23 recipient still otherwise qualifies upon returning to the state.
24 Continual absences from the state, even though reported, and failure
25 to notify the commissioner of an expected absence may be grounds for
26 disqualification.

27 * Sec. 2. AS 47.45.070 is amended to read:

28 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
29 one who

1 (1) does not meet the age or residence requirements as
2 provided for under this chapter;

3 (2) meets the age and residence requirements of this
4 chapter but either is confined in a state or federal mental health
5 institution or facility and is certified by the state as unable to
6 manage personal affairs, or resides in a nursing home as that term is
7 defined in AS 08.70.180; however, if that person, at the time of
8 commitment or commencement of residence, provided the principal sup-
9 port of a spouse, the commissioner of administration may determine to
10 pay the confined person's bonus to the person's spouse until the
11 spouse is qualified for a bonus;

12 (3) is otherwise qualified but confined in a penal or
13 correctional institution or facility; upon completion of sentence or
14 upon the conferral of a pardon, parole or probation, the person may
15 make application; confinement outside the state shall be considered as
16 residence in the state if a person was convicted and sentenced from a
17 court in Alaska; revocation of parole or probation shall be cause for
18 immediate disqualification until release from confinement is again
19 effected;

20 (4) voluntarily leaves the state and remains absent from
21 the state for a continuous period of more than 90 days, unless the
22 period of absence is required by the person's religious beliefs.

23 * Sec. 3. This Act takes effect July 1, 1989.
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26
27
28
29

**LONGEVITY BONUS TELEPHONE INTERVIEWS
Central Kenai Peninsula Area Ministers**

The following represents the response of Central Kenai Peninsula area ministers to questions relating to the need for legislation which would exempt older Alaskans who serve missions for their churches from the provisions in the Alaska Longevity Bonus Fund which limit the time they can be away from the State and be eligible to receive the bonus upon their return.

Questions Asked

Question 1: Does your church support missionary work?

Question 2: Do you have any older Alaskans (65 yrs. and older) who are serving missions?

Question 3: Are you in favor of this proposal?

Question 4: Have you had any problems as the legislation now stands? (all respondents said "no" to this question.)

<u>Respondent</u>	<u>Q.1</u>	<u>Q.2</u>	<u>Q.3</u>
Pastor Mike Curtis Aurora Heights Assembly of God Church 2 Blocks East of Mile 27 North Road 776-8723	yes	no	yes
Pastor Steve Noel Immanuel Baptist Church Mile 15 K-Beach 283-9361	yes	no	?
Pastor Bill Branch North Kenai Baptist Church Mile 23 North Road 776-5358	yes	no	?
Pastor Bruce Willard Kenai Christian Church Corner of McKinley & Spur Hwy 283-4559	yes	no	no
Mrs. Dickinson (Pastor's Wife) Church of Christ Al K-Beach M.P. 14.9 Kalifornsky Beach Road 283-4425	yes	?	yes

Jerry Holland Church of Christ Mile 1/4 Funny River Road Soldotna 262-2202	?	no	no
Pastor Howard M. Snively Peninsula Grace Brethren Church Mile 20 K-Beach Road 262-6442	no	no	yes
Asst. Pastor Norman Renney Christian Worship Center Across from Lamonts in Soldotna 262-7884	yes	no	yes
Ted Inabnit Soldotna Bible Chapel Mile 1.5 Spur Hwy. 262-4865	yes	yes	yes
Mrs. Pearson, Pastor's wife Chr Ist Lutheran Church Box 568, Soldotna, AK 99669 262-4757	yes	no	?
Rev. Freddy Krieger, Pastor Grace Evangelical Lutheran Church 283-9551	yes	no	no
wife of Rev. Herbert J. Schaan Star Of The North Lutheran Church 216 Forest Drive, Kenai 283-4153	yes	no	?
Ken Hapner, Pastor Soldotna United Methodist Church 158 S. Binkley Ave. 262-4958	yes	no	yes
Sherrie Prentice (Member) Faith Temple 283-5606	yes	no	yes
Pastor Morrison Fisher Kenai Bible Church 606 Main St. 283-7821	yes	yes	?

President Merrill Briggs	yes	yes	yes
Stake President			
Soldotna Alaska Stake			
Church of Jesus Christ of Latter-day Saints			
159 Marydale, Soldotna			
262-4329			

Bishop Stan Jackson	yes	yes	yes
Sterling Ward			
Church of Jesus Christ of Latter-day Saints			
159 Marydale, Soldotna			
262-6131			

Bishop Stan Steadman	yes	no	yes
Soldotna Ward			
Church of Jesus Christ of Latter-day Saints			
159 marydale, Soldotna			
262-7455			

Notes:

- Local churches which did have missionaries now serving did not have more than one couple at this time.

- President Briggs of the L. D. S. Church indicated that there were 7 elderly couples waiting to receive assignments for missionary work.

- The question mark (?) given for several of the Question 3 responses indicates that the respondents were undecided at this time. At the time of the survey, it was not possible to indicate to respondents the specific approach which was going to be taken in proposing legislation, possibly leading to this indecision. Of the "no's" given to this question, only one was a definite response. The others said they did not have enough information.

Dear Jason:

Thank you for your notice regarding legislation concerning Alaskan Alaskans who may need a Law protecting their right to be of service to the master for longer 180 days out of State. with but be disqualified from State Bonus.

I favour action by law to allow us to be out of State for extended periods of time for service to their Lord and the church under which they serve.

Rev. H. L. Weaver

Area Administrator
for Christian & missionary
Alliance Churches
in Alaska.

Representative C.E. Swackhammer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Support for older Alaskan missionaries

Dear Rep. Swackhammer:

I wish to voice support for an amendment to the Alaska Longevity Bonus which would exempt older Alaskans who are away from the State in their missionary service for longer than 180 days from having to wait 12 months to requalify for the Bonus upon their return.

DAVID HINZ

PASTOR

FAITH LUTHERAN CHURCH

2500 SUNSET DRIVE

JUNEAU, AK. 99801

name, (title & church if applicable), address

(Send a letter or use this form
to voice support---Thank you!)

David W. Hinz
Signature

Representative C.E. Swackhammer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Support for older Alaskan missionaries

Dear Rep. Swackhammer:

I wish to voice support for an amendment to the Alaska Longevity Bonus which would exempt older Alaskans who are away from the State in their missionary service for longer than 180 days from having to wait 12 months to requalify for the Bonus upon their return.

CHARL S. DAUGER (PASTOR)
KETCHIKAN CHURCH OF
THE NAZARENE
2152 TONGASS AVE.
KETCHIKAN, AK 99901
name, (title & church if applicable), address

(Send a letter or use this form
to voice support -- Thank you!)

Carl S. Daurer
Signature

Representative C.E. Swackhammer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Support for older Alaskan missionaries

Dear Rep. Swackhammer:

I wish to voice support for an amendment to the Alaska Longevity Bonus which would exempt older Alaskans who are away from the State in their missionary service for longer than 180 days from having to wait 12 months to requalify for the Bonus upon their return.

Rev. Owen Hope, O.M.I.
Holy Name Church
433 Jackson St.
Ketchikan, Alaska 99901
name, (title & church if applicable), address

(Send a letter or use this form
to voice support -- Thank you!)

Owen Hope
Signature

Representative C.E. Swackhammer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Support for



WESLEY VEATCH
Minister

Dear Rep. Swackhammer:

I wish to voice support for an amendment to the Alaska Longevity Bonus which would exempt older Alaskans who are away from the State in their missionary service for longer than 180 days from having to wait 12 months to requalify for the Bonus upon their return.

E. Wesley Veatch, Minister
First Christian Church
3031 La Touche
Anchorage, AK 99508
name, (title & church if applicable), address

(Send a letter or use this form
to voice support -- Thank you!)

E. Wesley Veatch
Signature

FIRST CHRISTIAN CHURCH

(Disciples of Christ)

3031 La Touche Street • Anchorage, Alaska 99508
(907) 272-0615 • Residence 258-7912



Clover Pass Community Church

Mile 14.5 North Tongass
Route 1, Box 940
Ketchikan, Alaska 99901
(907) 247-2360

February 28, 1989

Representative C.E. Swackhammer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Swackhammer:

It has been brought to my attention that legislation regarding Missionaries leaving Alaska to serve Christ, our King, are in jeopardy of losing their "Alaska Longevity Bonus Fund."

I would be in favor of the restrictions being removed, such as they have been from the Permanent Fund resident requirements.

Missionaries who call Alaska home should not be penalized for service in Missions in foreign lands.

Please be assured, you have my support, keep in touch.

To God be the Glory,

Sam Dalin
Associate Pastor

SD/cn



Parkside Church

P.O. Box 210267 Anchorage, AK 99521-0267 (907) 837-2185

March 3, 1989

Representative C.E. Swackhammer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Swackhammer,

I am writing this letter to register my support for an ammendment to the Alaska Longevity Bonus which would exempt older Alaskans, who are away from the State in their Missionary service for longer than 180 days, from having to wait 12 months to requalify for the Bonus upon their return.

Sincerely



Graydon Jessup

GJ/ns

32nd & Muldoon

Graydon Jessup Minister ————— Ron Gallaher Assoc. Minister

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OLDER ALASKANS COMMISSION

STEVE COWPER, GOVERNOR

BOX C
JUNEAU, ALASKA 99811-0209
PHONE: (907) 465-3250

January 27, 1989

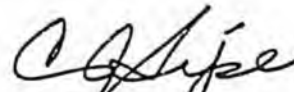
Jason Steadman
P.O. Box 3405
Soldotna, Alaska 99669

Dear Mr. Steadman:

First, I apologize for the late delay to your letter of December 25. I'm sorry we did not get an answer to you as quickly as we would have liked, my answer will probably disappoint you. The statute that creates the Older Alaskans Commission prevents the Commission from reviewing any matters relating to the Alaska Longevity Bonus. Therefore, the Older Alaskans Commission has always refrained from taking any part in the debate over the Alaska Longevity Bonus statute or policies related to the Administration of the Bonus program.

You may wish to contact senior advocacy groups such as the Older Persons Action Group, or the American Association of Retired Persons, which may be interested in your idea regarding continuation of Bonus payments to older Alaskans serving as missionaries.

Sincerely,



Connie J. Sipe
Executive Director

cc: Senator C.E. Swackhammer
Barbara Bathony, Director
Pioneer Benefits

ROSTER LISTING

Rec Range: 277 to Max.
 Zip Range: Min. to Max.
 Xcode Range: Min. to Max.
 Search Codes: All
 listed in "Zip" order, 3-2-1989.

NAME Company	Rec.# Scodes	ADDRESS Xcode	Phone	STATE & ZIP
NAZARENE, CHURCH OF THE PASTOR J BRUENING	2631 311	SECOND, KETCHIKAN AK		AK 99901
CHURCH, PRESBYTERIAN	PO BOX 8175 312	KETCHIKAN AK		AK 99901
CHURCH, CHRISTIAN SCIENCE	330 302	MAIN, KETCHIKAN AK		AK 99901
CHRIST, CHURCH OF GARY SOUZA, MINISTER	3149 303	TONGASS, KETCHIKAN AK		AK 99901
GOSPEL, CHURCH OF GOD-FULL REV BILL WHITE	3405 304	BARANOF, KETCHIKAN AK		AK 99901
CHURCH, CLOVER PASS COMMUNITY PASTOR GORDON MCALISTER	14 MI N 305	TONGASS, KETCHIKAN AK		AK 99901
OFFICE, ST JOHN'S CHURCH	PO BOX 3003 306	KETCHIKAN AK		AK 99901
WITNESSES, JEHOVAH'S	606 307	HILL, KETCHIKAN AK		AK 99901
CHURCH, FIRST LUTHERAN PASTOR OB FJELSTAD	1200 308	TONGASS, KETCHIKAN AK		AK 99901
CHURCH, HOLY TRUTH LUTHERAN	426 309	BUREN, KETCHIKAN AK		AK 99901
UNTD, METHODIST CHURCH FIRST PASTOR WILLIAM G TRUDEAU	400 310	MAIN, KETCHIKAN AK		AK 99901
CHURCH, HOLY NAME CATHOLIC	433 313	JACKSON, KETCHIKAN AK		AK 99901
ARMY, THE SALVATION	342 314	STEDMAN, KETCHIKAN AK		AK 99901
CHURCH, SEVENTH-DAY ADVENTIST	2017 315	FIRST AV, KETCHIKAN AK		AK 99901
CHURCH, SEVENTH DAY ADVENTIST	PO BOX 1540 372	1613 HPR, SITKA AK BK		AK 99835
ARMY, SALVATION	405 371	SMC, SITKA AK BK		AK 99835
CHURCH, UNITED PENTECOSTAL	101 363	CASCADE CREEK RD, SITKA AK BK		AK 99835
CHURCH, PRESBYTERIAN	BOX 538 364	505 SMC, SITKA AK BK		AK 99835
ARMY, SALVATION	405 365	SMC, SITKA AK BK		AK 99835
CHURCH, SEVENTH DAY ADVENTIST	PO BOX 1540 366	SITKA AK BK		AK 99835
METHODIST, SITKA UNITED	303 367	KIMSHAM, SITKA AK BK		AK 99835

CHURCH, MOOSE CREEK BAPTIST	3518 HOPE, FAIRBANKS 424 AK	AK 99705
CHURCH, BADGER ROAD BAPTIST	834 FAULTLINE AV, FAIRBANKS 412 AK	AK 99705
CHRIST, FREEDOM IN	1362 BECKY ST, FAIRBANKS 445 AK	AK 99705
CHRIST, FREEDOM IN	1362 BECKY ST, FAIRBANKS 460 AK	AK 99705
NAZERENE, CHURCH OF THE	1044 NORTH STAR DR, FAIRBANKS 453 AK	AK 99705
CHRIST, CHURCH OF	3445 OLD RICHARDSON, FAIRBANKS 435 AK	AK 99705
NORT, FIRST BAPTIST CHURCH OF	5TH ST & RICHARDSON HWY, FAIRBANKS 422 AK	AK 99705
ALASKA, EPISCOPAL DIOCESE OF	1205 DENALI WY, FAIRBANKS 442 AK	AK 99701
CHURCH, UNIVERSITY BAPTIST	1197 UNIVERSITY AVE, FAIRBANKS 428 AK	AK 99701
CATHEDRAL, SACRED HEART	2501 AIRPORT WAY, FAIRBANKS 432 AK	AK 99701
CHURCH, IMMACULATE CONCEPTION	115 N CUSHMAN ST, FAIRBANKS 430 AK	AK 99701
CHRIST, CHURCH OF	5033 CHENA SMALL TRACTS RD, FAIRBA 434 AK	AK 99701
CHURCH, SHANNON PARK BAPTIST	407 LAZELLE RD, FAIRBANKS 426 AK	AK 99701
RECTORY, CATHOLIC	1127 KOYUKUK ST, FAIRBANKS 433 AK	AK 99701
CHRIS, FIRST CHURCH OF GOD IN	308 LADD, FAIRBANKS 439 AK	AK 99701
FAIRBANK, CATHOLIC DIOCESE OF	1316 PEGER RD, FAIRBANKS 429 AK	AK 99701
CHURCH, ST JOHN BAPTIST	802 17TH AVE, FAIRBANKS 425 AK	AK 99701
CHU, FIRST UNITED PENTECOSTAL	907 23RD AVE, FAIRBANKS 465 AK	AK 99701
CHURCH, CORINTHIAN BAPTIST	1679 23RD AV, FAIRBANKS 419 AK	AK 99701
CHURCH, FAITH BAPTIST	2 MI CHENA PUMP RD, FAIRBANKS 420 AK	AK 99701
CHURCH, FIRST BAPTIST	805 6TH AVE, FAIRBANKS 421 AK	AK 99701
CHURCH, FAIRBANKS COVENANT	1405 10TH AVE, FAIRBANKS 441 AK	AK 99701
LI, CHURCH OF CHRIST NORTHERN	645 11TH, FAIRBANKS 436 AK	AK 99701
FAIRBANKS, BAHAI'S OF	2273 BRIDGEWATER, FAIRBANKS 447 AK	AK 99701
H, JEHOVAH'S WITNESSES KINGDOM	345 A ST, FAIRBANKS 448 AK	AK 99701
ASSOCI, TANANA VALLEY BAPTIST	805 6TH AVE, FAIRBANKS 427 AK	AK 99701
CHURCH, FAIRBANKS LUTHERAN	1012 COWLES, FAIRBANKS 450 AK	AK 99701
CHURCH, SYNDoulos LUTHERAN	4155 GEIST RD, FAIRBANKS 451 AK	AK 99701

MINIST, WORD OF LIVE OUTREACH	245 MARINE WY, JUNEAU 326 AK BK	AK 99811
ORTHODOX, ST NICHOLAS	326 5TH ST, JUNEAU 327 AK BK	AK 99811
CHURCH, CHRISTIAN SCIENCE	430 MAIN ST, JUNEAU 347 AK BK	AK 99811
CHURCH, NORTHERN LIGHT UNITED	400 11TH, JUNEAU 330 AK BK	AK 99811
NATIVITY, CATHEDRAL OF THE	416 5TH, JUNEAU 331 AK BK	AK 99811
CHURCH, ST PAUL'S CATHOLIC	416 5TH, JUNEAU 332 AK BK	AK 99811
CHURCH, ST PAUL'S CATHOLIC	9055 ATLIN AV, JUNEAU 333 AK BK	AK 99811
JUNEAU, DIOCESE OF	419 6TH AV, JUNEAU 334 AK BK	AK 99811
CHURCH, ST PETER CATHOLIC	824 2ND DOUGLAS, JUNEAU 335 AK BK	AK 99811
PAUL, ST VINCENT DE	JORDAN CREEK MALL, JUNEAU 336 AK BK	AK 99811
THERESE, SHRINE OF ST	21425 GLACIER HWY, JUNEAU 337 AK BK	AK 99811
CHURCH, SEVENTH DAY AD' NTIST	424 MENDENHALL LOOP RD, JUNEAU 338 AK BK	AK 99811
ESKANKAR	240 S FRANKLIN ST, JUNEAU 339 AK BK	AK 99811
CHURCH, NORTHERN LIGHT UNITED	400 11TH, JUNEAU 340 AK BK	AK 99811
CHURCH-MISSOU, FAITH LUTHERAN	2500 SUNSET DR., JUNEAU 316 AK BK	AK 99811
CHURCH, RESURRECTION LUTHERAN	740 W 10TH ST JUNEAU, JUNEAU 317 AK BK	AK 99811
LUTHER, SHEPERD OF THE VALLEY	9151 PARKWOOD DR JUNEAU, JUNEAU 318 AK BK	AK 99811
NAZARENE, CHURCH OF THE	3220 MENDENHALL LOOP RD, JUNEAU 319 AK BK	AK 99811
CHURCH, AUKE BAY BIBLE	11970 GLACIER HWY, JUNEAU 320 AK BK	AK 99811
FELLOWSHIP, CALVARY	1801 GLACIER HWY, JUNEAU 321 AK	AK 99811
CHRIST, CHURCH OF	8755 TRINITY DR, JUNEAU 322 AK BK	AK 99811
CHURCH, DOUGLAS ISLAND BIBLE	2802 DAVID, JUNEAU 323 AK BK	AK 99811
BRENDAN', HOLY TRINITY AND ST	325 GOLD ST, JUNEAU 350 AK BK	AK 99811
VALLEY, CHURCH OF GOD-GLACIER	8497 THUNDER MTN RD JUNEAU, JUNEAU 349 AK BK	AK 99811
LAKE, CHAPEL BY THE	11204 AUKE LAKE WY, JUNEAU 329 AK BK	AK 99811
CHURCH, UNITED FENTECOSTAL	1650 OLD GLACIER HWY, JUNEAU 328 AK BK	AK 99811
CHURCH, CHRIST LUTHERAN	PO BOX 82203, FAIRBANKS 449 AK	AK 99708
CHURCH, KINGS WAY BAPTIST	9 MI BADGER RD, FAIRBANKS 415 AK	AK 99705

CHURCH, ZION LUTHERAN	2141 AIRPORT WY, FAIRBANKS 452 AK	AK 99701
CHURCH, RAPHAEL'S CATHOLIC	281 GOLD CLAIM AVE, FAIRBANKS 431 AK	AK 99701
FIRST, CHURCH OF THE NAZARENE	1000 NOBLE ST, FAIRBANKS 454 AK	AK 99701
ALASKA, ANGLICAN DIOCESE OF	414 FAIRBANKS ST, FAIRBANKS 408 AK	AK 99701
CHUR, ST CATHERINE'S ANGLICAN	414 FAIRBANKS ST, FAIRBANKS 409 AK	AK 99701
MISSION, FRIENDSHIP BAPTIST	1501 LACEY ST, FAIRBANKS 423 AK	AK 99701
CHURCH, FIRST ASSEMBLY OF GOD	2830 AIRPORT WY, FAIRBANKS 411 AK	AK 99701
GOD, CHURCH OF	3007 AIRPORT WAY, FAIRBANKS 437 AK	AK 99701
CHURCH, FAIRHILL COMMUNITY	.5 MI STEESE HWY, FAIRBANKS 438 AK	AK 99701
BAPTIST, HAMILTON ACRES	138 FAREWELL, FAIRBANKS 414 AK	AK 99701
PROPHECY, CHURCH OF GOD OF	1417 28TH AVE, FAIRBANKS 440 AK	AK 99701
CHURCH, MCGRATH ROAD BAPTIST	1054 MCGRATH RD, FAIRBANKS 416 AK	AK 99701
CHURCH, TRINITY BAPTIST	1327 27TH AV, FAIRBANKS 417 AK	AK 99701
CHURCH, TRINITY BAPTIST	870 CRAZY HORSE WAY, FAIRBANKS 418 AK	AK 99701
CHURC, FIRST EVANGELICAL FREE	1744 FARMERS LOOP, FAIRBANKS 443 AK	AK 99701
CHURC, ST MATTHEW'S EPISCOPAL	1030 2ND AVE, FAIRBANKS 444 AK	AK 99701
OF, FAIRBANKS NATIVE ASSEMBLY	948 26TH AVE, FAIRBANKS 410 AK	AK 99701
TANANA, BAHAI FAITH OF	705 FARMER'S LOOP RD, FAIRBANKS 446 AK	AK 99701
CHRI, BORN AGAIN BELIEVERS IN	513C ST, FAIRBANKS 457 AK	AK 99701
CHAPEL, FAIRBANKS NATIVE	1110 20TH AVE, FAIRBANKS 458 AK	AK 99701
CH, FAREWELL AVENUE CHRISTIAN	100 FAREWELL, FAIRBANKS 459 AK	AK 99701
CHURCH, BIBLE BAPTIST	913 COLLEGE RD, FAIRBANKS 413 AK	AK 99701
CHURCH, GOSPEL OUTREACH	324 MINNIE, FAIRBANKS 461 AK	AK 99701
CENTER, LIGHTHOUSE CHRISTIAN	270 FAIRHILL RD, FAIRBANKS 462 AK	AK 99701
CHURCH, UNIVERSITY PARK BIBLE	SANDVIK RD, FAIRBANKS 463 AK	AK 99701
GOD, PENTECOSTAL CHURCH OF	326 18TH AVE, FAIRBANKS 464 AK	AK 99701
NAZ, TOTEM PARK CHURCH OF THE	1524 WESTWOOD WAY, FAIRBANKS 456 AK	AK 99701
NAZERENE, FIRST CHURCH OF THE	100 NOBLE ST, FAIRBANKS 455 AK	AK 99701

Church, Parkside	PO Box 210267, ANCHORAGE 282 AK	AK 99504
CHURCH, LDS FOURTH WARD	2240 BAXTER RD, ANCHORAGE 297 AK	AK 99504
STAKE, ANCHORAGE ALASKA NORTH LDS CHURCH	2240 BAXTER RD, ANCHORAGE 300 AK	AK 99504
CHURCH, LDS THIRD WARD	2240 BAXTER RD, ANCHORAGE 296 AK	AK 99504
CHURCH, SCENIC PARK BIBLE	7145 MARDELYNNE DR, ANCHORAGE 278 AK	AK 99504
CHURCH, BIBLE MISSIONARY PASTOR ROBEL L. DURR	219 ZAPPA PLACE, ANCHORAGE 277 AK	AK 99504
CHURCH, LDS 2240 BAXTER ROAD	FOURTEETH WARD, ANCHORAGE 299 AK	AK 99504
GOD, CHURCH OF	1023 ERMINE, ANCHORAGE 398 AK	AK 99504
Ep, First Christian Methodist	2521 Banbury Dr, ANCHORAGE 284 AK	AK 99504
CHUR, GREATER FRIENDLY TEMPLE	6310 DEBARR RD, ANCHORAGE 400 AK	AK 99504
SCHOOLS, ANCHORAGE CHRISTIAN	6505 DEBARR RD, ANCHORAGE 382 AK	AK 99504
CHURCH, LDS THIRD WARD	2240 BAXTER RD, ANCHORAGE 298 AK	AK 99504
CH, ST CHRISTOPHER'S EPISOPAL	7208 DUBEN AV, ANCHORAGE 406 AK	AK 99504
CHURCH, LAKE SPENARD BAPTIST	3502 SPENARD RD, ANCHORAGE 380 AK	AK 99503
PATRICIA, SORTORE	1020 POTLATCH CIR, ANCHORAGE 386 AK	AK 99503
FELLOWSHIP, CHILD EVANGELISM	3502 SPENARD RD, ANCHORAGE 390 AK	AK 99503
CHURCH, IMMANUEL BAPTIST	6748 SEWARD HWY, ANCHORAGE 385 AK	AK 99503
CHURCH, SAND LAKE BAPTIST	7434 JEWEL LAKE RD, ANCHORAGE 381 AK	AK 99502
WITNESS, JEHOVAH'S WEST CONGREGATION	2301 STRAWBERRY RD, ANCHORAGE 295 AK	AK 99502
Congregation, Parkway	2301 Strawberry Rd, ANCHORAGE 291 AK	AK 99502
Congregation, West	2301 Strawberry Rd, ANCHORAGE 292 AK	AK 99502
WITNESS, JEHOVAH'S PARKWAY CONGREGATION	2301 STRAWBERRY RD, ANCHORAGE 294 AK	AK 99502
RO, CHRISTIAN SCIENCE READING	508 6TH AV, ANCHORAGE 387 AK	AK 99501
ANCH, CATHOLIC ARCHDIOCESE OF	225 CORDOVA, ANCHORAGE 389 AK	AK 99501
ARMY, SALVATION	726 E 9TH AV, ANCHORAGE 392 AK	AK 99501
MINISTRIES, HIS WINGS	2015 MERRILL FIELD DR, ANCHORAGE 391 AK	AK 99501
ARMY, SALVATION	742 BARROW, ANCHORAGE 394 AK	AK 99501
ARMY, SALVATION	1100 E 3RD AV, ANCHORAGE 393 AK	AK 99501

STEADMAN, JASON	PO BOX 3405, SOLDOTNA 377 AK BK	AK 99669
CHURCH, GRACE BAPTIST	1801 E 68TH AV, ANCHORAGE 378 AK	AK 99518
CHURCH, HILLSIDE CHRISTIAN DERYL TITUS MINISTER	6108 MACKAY, ANCHORAGE 281 AK	AK 99518
CHURCH, ANCH GRACE BRETHREN	12407 PIN TAIL, ANCHORAGE 279 AK	AK 99518
CHURCH, GRACE BAPTIST	1801 E 68TH AV, ANCHORAGE 383 AK	AK 99518
Palmer, Pastor Robert	3541 W Dimond Blvd, ANCHORAGE 289 AK	AK 99515
FLWSP, MARANATHA FULL GOSPEL PASTOR ROBERT G PALMER	3541 W DIMOND BLVD, ANCHORAGE 301 AK	AK 99515
GOD, CHURCH OF	OMALLEY RD, ANCHORAGE 401 AK	AK 99515
Tabernacle, Gospel Light	2100 DeArmoun Rd, ANCHORAGE 288 AK	AK 99515
EPISCOPAL, CHRIST CHURCH	1612 OCEANVIEW DR, ANCHORAGE 405 AK	AK 99515
CHU, FIRST MISSIONARY BAPTIST	337 DIMOND BLVD, ANCHORAGE 384 AK	AK 99515
TABERNACLE, GOSPEL LIG.	2100 DEARMOUN RD, ANCHORAGE 397 AK	AK 99515
CHURCH, CHRIST CONGREGATIONAL	733 W 4TH AV, ANCHORAGE 403 AK	AK 99511
I, FAITH TEMPLE CHURCH OF GOD	3833 PARSONS AV, ANCHORAGE 399 AK	AK 99508
COMMUNITY, BETHANY CHRISTIAN	2824 E 18TH AV, ANCHORAGE 379 AK	AK 99508
Ep, First Christian Methodist	3600 MacInnes, ANCHORAGE 285 AK	AK 99508
GOD, EAST PARK CHURCH OF	1711 S BRAGAW, ANCHORAGE 402 AK	AK 99508
Tri, Christian Reformed Church	3000 E 16th Av, ANCHORAGE 287 AK	AK 99508
CHURCH, FIRST CONGREGATIONAL	2610 E NORTHERN LIGHTS BLVD, ANCHO 404 AK	AK 99508
Church, First Christian	3031 LaTouche, ANCHORAGE 283 AK	AK 99508
ELCA, ALASKA SYNOD OF	4201 TUDOR CENTRE DR, ANCHORAGE 388 AK	AK 99508
CHURCH, ST MARY'S EPISCOPAL	4502 CASSIN DR, ANCHORAGE 407 AK	AK 99507
Congregation, Foothills	2552 E 48th Av, ANCHORAGE 290 AK	AK 99507
Branch, Watchtower	2552 E 48th Av, ANCHORAGE 293 AK	AK 99507
SCCA	4502 CASSIN DR, ANCHORAGE 396 AK	AK 99507
CENTER, ABBOT LOOP CHRISTIAN	2626 ABBOTT ROAD, ANCHORAGE 280	AK 99507
ARMY, SALVATION	1781 ACADEMY DR, ANCHORAGE 395 AK	AK 99507
Church, Alliance Bible	5150 Abbot Rd, ANCHORAGE 286 AK	AK 99507

NAZARENE, CHURCH OF THE	BOX 157 305 LAKE ST, SITKA	AK 99835
	368 AK BK	
CHURCH, FIRST BAPTIST	514 HFR, SITKA	AK 99835
	369 AK BK	
C, GRACE EVANGELICAL LUTHERAN	308 TILSON, SITKA	AK 99835
	370 AK BK	
C, GRACE EVANGELICAL LUTHERAN	308 TILSON, SITKA	AK 99835
	358 AK BK	
CENTER, SITKA CHRISTIAN	502 HIRST, SITKA	AK 99835
	373 AK BK	
CHURCH, SITKA LUTHERAN	224 LINCOLN, SITKA	AK 99835
	374 AK BK	
CEN, TRUE VINE BIBLE TRAINING	329 HARBOR, SITKA	AK 99835
	375 AK BK	
FELLOWSHIP, UNITARIAN	315 SEWARD, SITKA	AK 99835
	376 AK BK	
MOROPOULOS, PASTOR JOHN	BX 429, HOONAH	AK 99835
HOONAH ASSEMBLY OF GOD	352 AK BK	
GOD, ASSEM OF	214 KIMSHAM, SITKA	AK 99835
	353 AK BK	
CBA, TRINITY BAPTIST CHURCH	PO BOX 1887, SITKA	AK 99835
	354 AK BK	
CHURCH, FIRST BAPTIST	514 HFR, SITKA	AK 99835
	355 AK BK	
PETER, EPISCOPAL CHURCH OF ST	BOX 1130 611 LINCOLN, SITKA	AK 99835
	356 AK BK	
KINGDOM, JEHOVAH'S WITNESSES	519 MONASTERY, SITKA	AK 99835
	357 AK BK	
CHURCH, ASSEMBLY OF GOD	2014 HFR, SITKA	AK 99835
	351 AK BK	
CHURCH, LUTHERAN	224 LINCOLN, SITKA	AK 99835
	359 AK BK	
TONI, MEIER MICHAEL AND	220 OBSERVATORY, SITKA	AK 99835
	360 AK BK	
CHRIST, CHURCH OF	614 OJA, SITKA	AK 99835
	361 AK BK	
CATHEDRAL, ST MICHAEL'S	BOX 697, SITKA	AK 99835
	362 AK BK	
DOUG, UNITED METHODIST CHURCH	1106 THIRD, DOUGLAS	AK 99824
	341 AK BK	
GOD, FIRST CHURCH OF	2215 KA-SEE-AN DR, JUNEAU	AK 99811
	348 AK BK	
GOD, BETHEL ASSEMBLY OF	8001 GLACIER HWY, JUNEAU	AK 99811
	343 AK BK	
CHURCH, BETHANY BAPTIST	3729 EL CAMINO, JUNEAU	AK 99811
	344 AK BK	
CHURCH, FIRST BAPTIST	4625 GLACIER HWY, JUNEAU	AK 99811
	345 AK BK	
CHURC, GLACIER VALLEY BAPTIST	3921 MENDENHALL LP RD, JUNEAU	AK 99811
	346 AK BK	
CHURCH, UNITED PENTECOSTAL	1650 OLD GLACIER HWY, JUNEAU	AK 99811
	342 AK BK	
CHURCH, FRAISE	5851 MONTGOMERY, JUNEAU	AK 99811
	324 AK BK	
CHAPEL, VALLEY	9741 MENDENHALL LP RD, JUNEAU	AK 99811
	325 AK BK	

**PERMANENT
FUND
MODELS**

State Affairs Committee
Alaska House of Representatives
March 15, 1989

Testimony Of

Jack Fargnoli

Chief Analyst
Division of Policy
Office of the Governor

Mr. Chairman, members of the Committee, thank you for the opportunity to testify today on the matter of Permanent Fund modeling. I will keep my remarks brief.

Today's review of Permanent Fund modeling is especially timely because it focuses attention on the fact that the way we look at the Permanent Fund is changing. In the past oil revenue was plentiful, and we had no need to clarify our understanding or our expectations of the Fund. Today, however, both of those needs are great.

Several factors make this so:

- o Given our fiscal and budgetary outlook, the role of the Permanent Fund in the State's fiscal affairs will increasingly be greater, not lesser.
- o Existing statutes already pose a potential conflict insofar as dividends and inflation-proofing increasingly compete for Permanent Fund earnings, rendering problematic any additional use of earnings in the future.
- o As outlined recently by Scott Goldsmith of ISER, the Permanent Fund already may have reached its maximum size in constant-dollar terms.

There is as yet little agreement on the fundamental purpose or purposes of the Permanent Fund.

It is in this context of changing needs and unresolved questions that issues about Permanent Fund modeling and projections should be raised.

First, it needs to be said that forecasts and projections of all kinds are essentially ham-handed attempts to grasp the future. We should not rely on, or base fundamental policy decisions on, the appearance of precision in them. What matters is the extent to which they facilitate understanding, the extent to which they improve contingency planning through prediction and the assessment of probabilities, and the extent to which they enable decisions based on the best knowledge and experience available.

Second, it needs to be said that the projections of the Permanent Fund Corporation do not adequately meet any of these standards. The reasons for saying this are as follows:

- o Most importantly, the Corporation's projections are not projections, but rather only a static (and arbitrary) description of what the Permanent Fund's future performance might be, if the Trustees' three percent real rate of return earnings goal were to be achieved. The projections indicate nothing about the likelihood of such an achievement, or about the nature of Fund performance that can actually be expected. Though the projection model is simplistic, and guilty of some methodological inconsistencies, this is its main shortcoming: beyond the current fiscal year, it does not provide a projection.
- o By appearing to provide a projection when in fact it does not, the Permanent Fund's model confounds understanding by promulgating misleading fiscal information, and by creating an unreliable basis for evaluating policy options. Any amount of scenario testing (higher or lower earnings, inflation or dedicated revenue assumptions) quickly reveals how differently such critical factors as reserve account balances, per capita dividend amounts, the growth of principal and conflicts between dividends and inflation-proofing (as well as the interactions among these factors) can appear - - i.e., how extremely sensitive these factors are to input assumptions, and how differently their importance appears under varying scenario assumptions. Lack of a true projection thus complicates any assessment involving the restructuring or augmenting of current Permanent Fund policies.
- o In spite of all the proven investment management knowledge, skills and expertise of the Permanent Fund Corporation, little if any of these resources seem to inform the Corporation's projections. Evidence of this is the fact that (except for those governing the current fiscal year) the model's assumptions, which presumably should reflect the Corporation's informed outlook, have remained exactly the same from month to month for years now, though investment market conditions have continuously changed. The Permanent Fund model thus by no means provides policy makers with the benefit of the Corporation's "best guess" about future Permanent Fund performance.

Overall, therefore, it is not surprising that different modeling techniques including ad hoc procedures have been adopted by various agencies in their efforts to estimate future Fund performance and evaluate a multitude of Permanent Fund proposals. Nor is it surprising that policy makers as well as the general public have been frustrated in their attempts to interpret, compare and reconcile the results of these varying estimates and evaluations.

The bottom line is that a crucial gap exists in our understanding of the Permanent Fund, its expected performance, and the possible long term effects on the Fund of any of a dozen or more major policy and budgetary proposals. The Permanent Fund Corporation is not entirely at fault in all this, because conditions have changed. What sufficed in the past, however, simply will not suffice any longer. We must progress from a state of limited useful information about the Permanent Fund to one that truly supports public decision making.

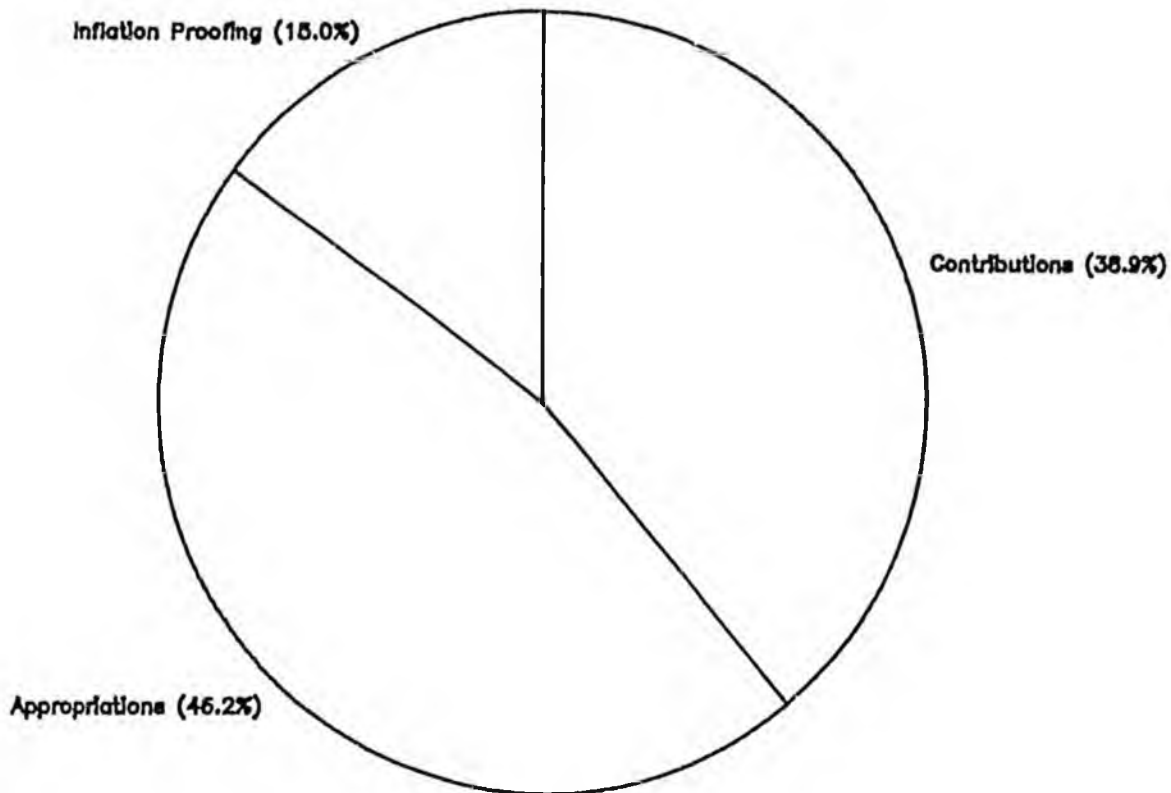
In view of these factors, the following suggestions are offered for consideration:

- o The Permanent Fund Corporation should make every effort to provide decision makers with a periodically updated projection that truly reflects their reasoned expectations about future events and actual Fund performance.
- o The projection should be more than just a spreadsheet print-out. Like our revised revenue forecast, it might include a narrative explaining the choice of assumptions used in compiling the projection, the sensitivity of key variables, and the market outlook on which the projection is based. In short, the projection should be recast as a tool useful to policy makers.
- o Policy makers should make their needs known, in this regard, to the Permanent Fund Corporation.
- o Technical and methodological inconsistencies in the model developed for the projections should be corrected.
- o The model should be used by other agencies as the basis for their own modeling of Permanent Fund performance and evaluations of Permanent Fund proposals.
- o More oversight of the Permanent Fund is needed.
- o A joint legislative-administration review of the Permanent Fund projection model should be undertaken.

Thank you, Mr. Chairman. I would be happy to answer any questions.

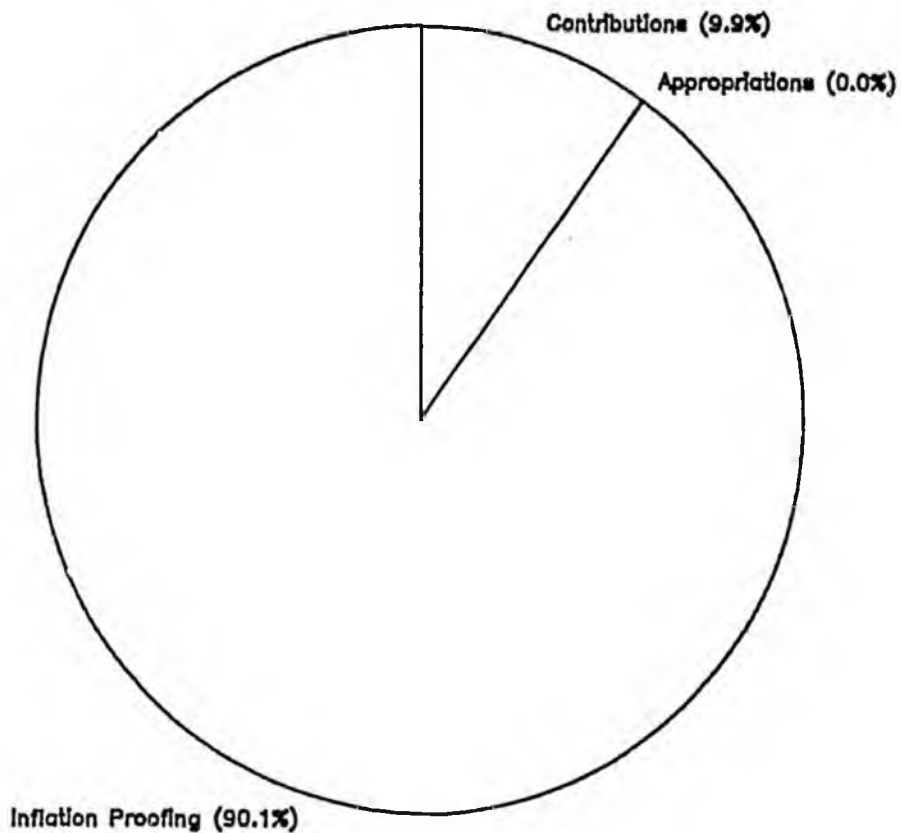
Permanent Fund: Sources of Income

FY 78 - FY 88



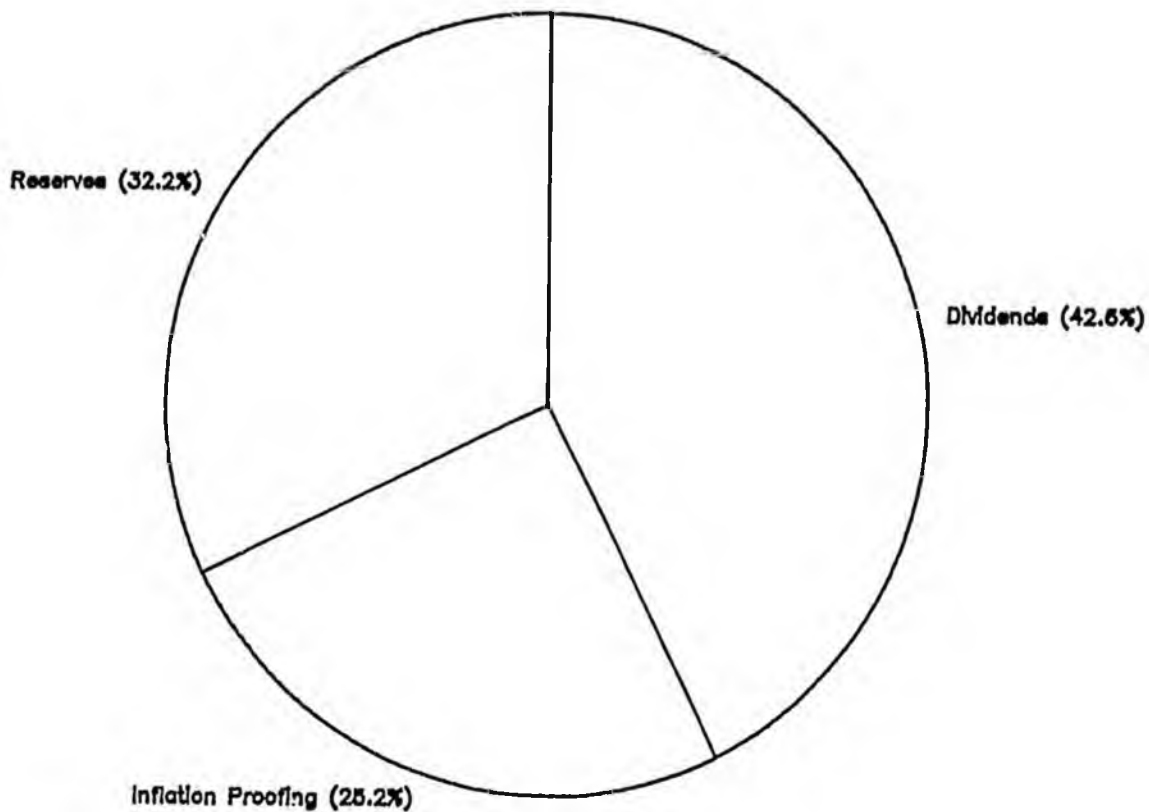
Permanent Fund: Sources of Income

FY 89 - FY 2008



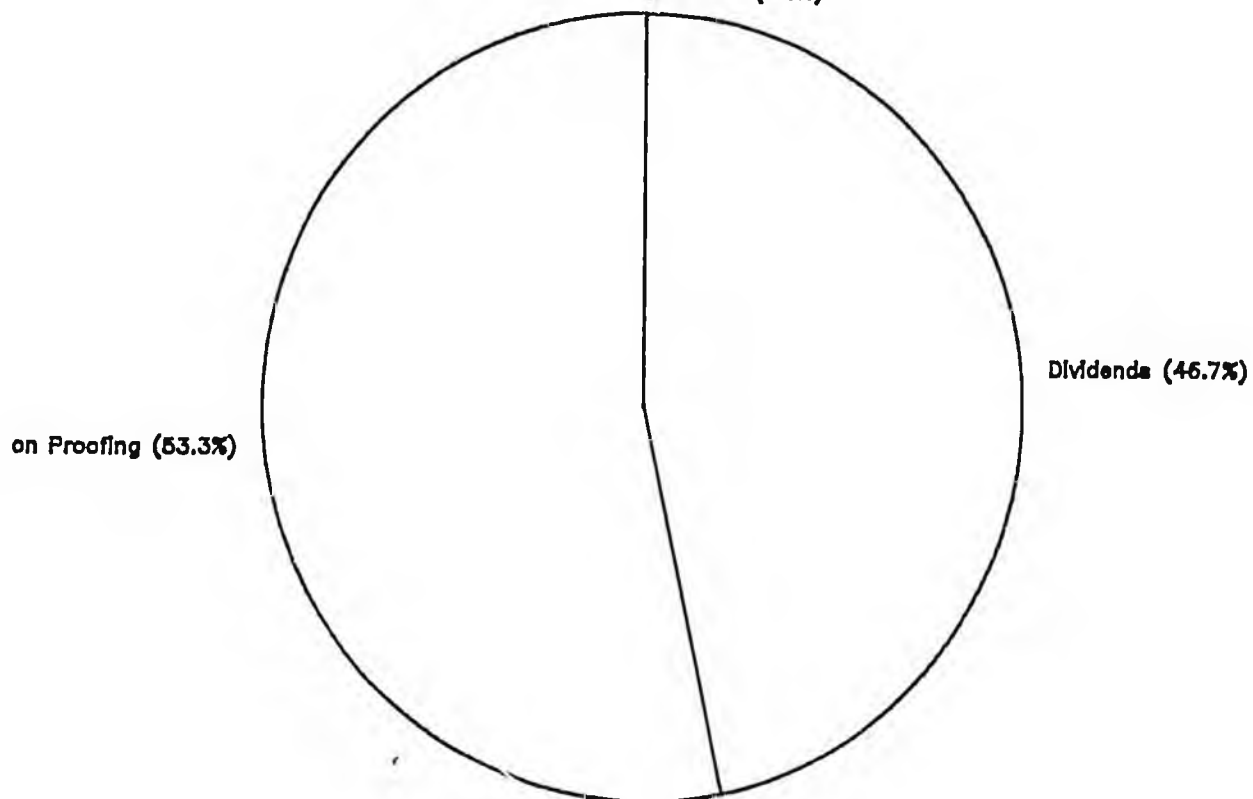
Permanent Fund: Distribution of Income

FY 78 - FY 88



Permanent Fund: Distribution of Income

FY 89 - FY 2005 PFD
Reserves (0.0%)

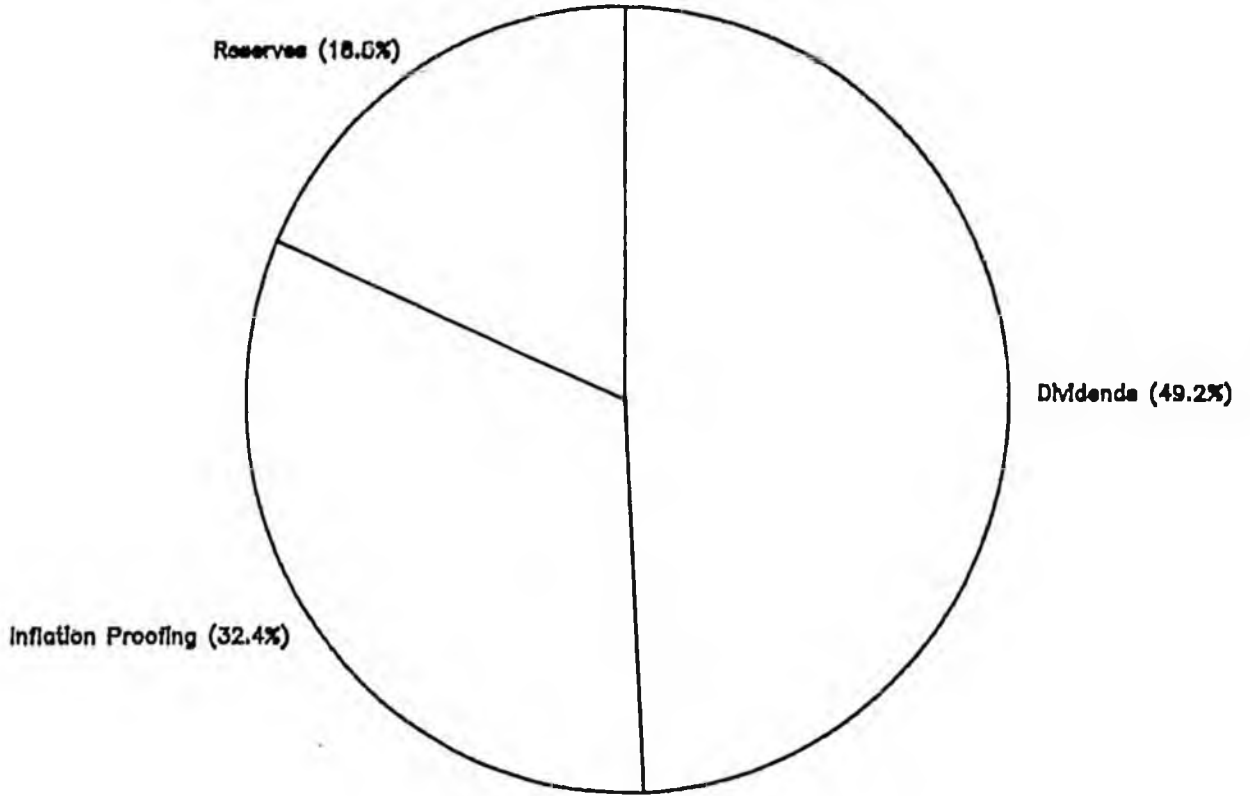


C

	TOTAL RETURN	INFLATION	INFLATION AS A PERCENT OF TOTAL RETURN
DOR Low	8.15%	3.0%	37%
DOR Mid	9.6%	4.35%	45%
PFC	9.1%	6.0%	64%
GOVERNOR	10.5%	6.0%	57%

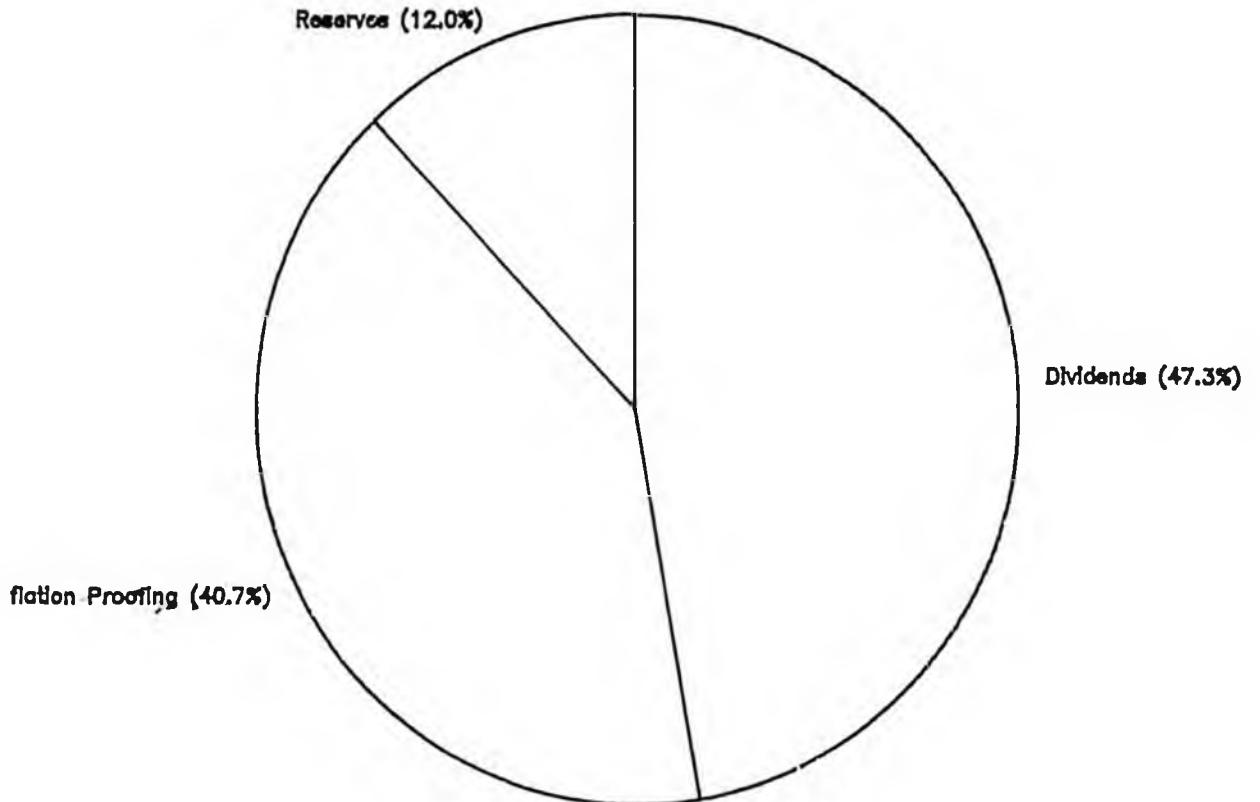
Permanent Fund: Distribution of Income

FY 89 - FY 2005 DOR low

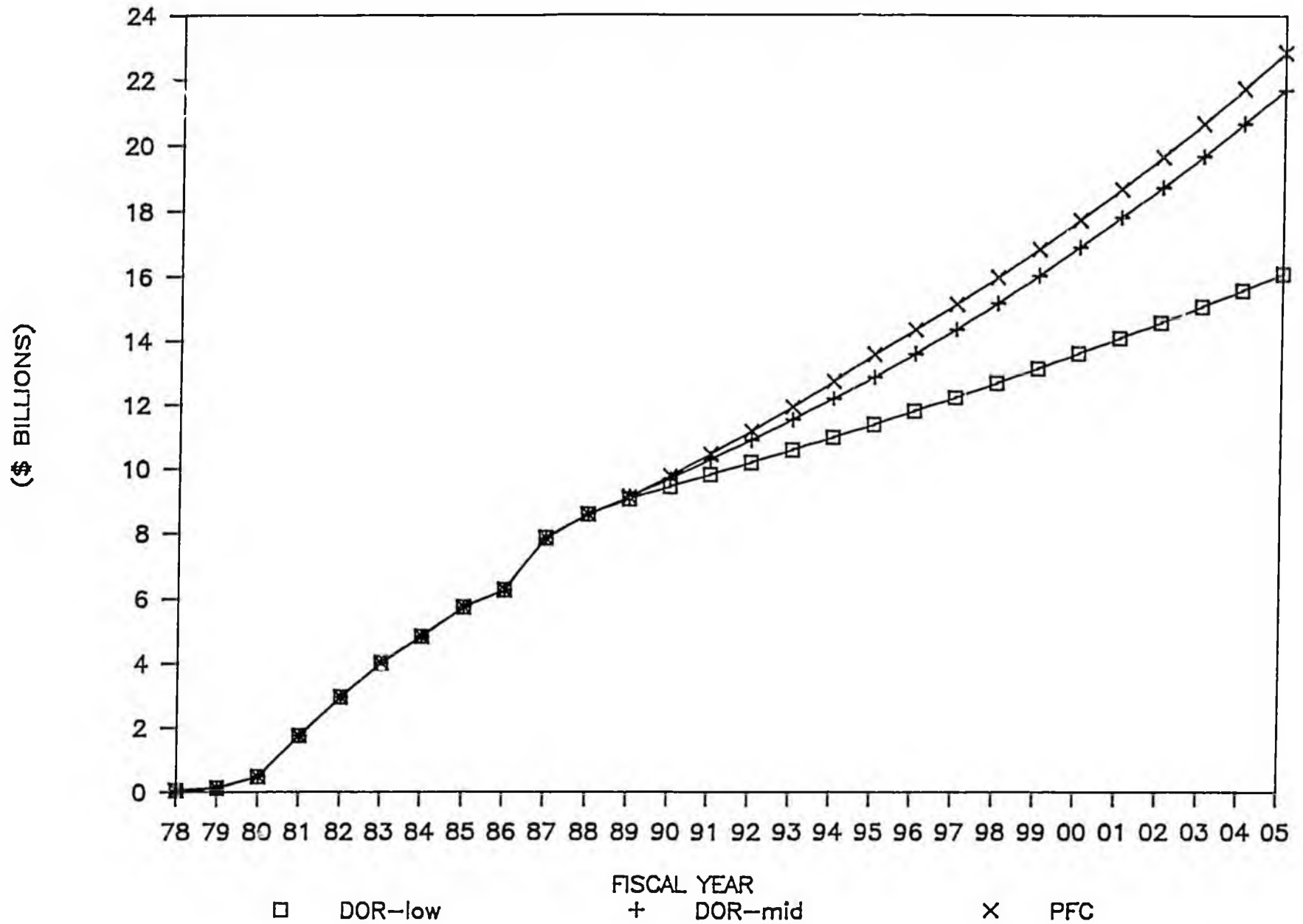


Permanent Fund: Distribution of Income

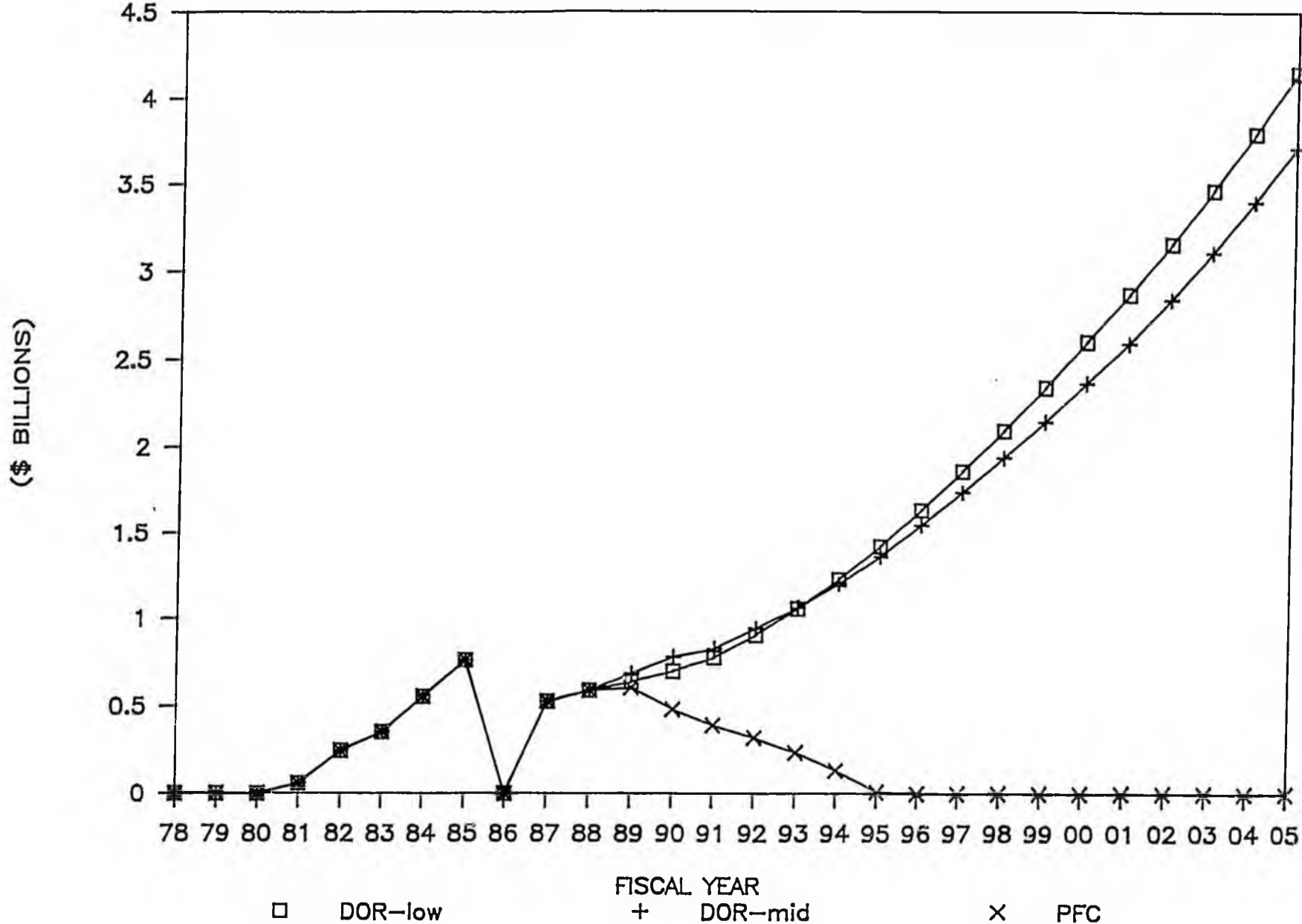
FY 89 - FY 2005 DOR mid



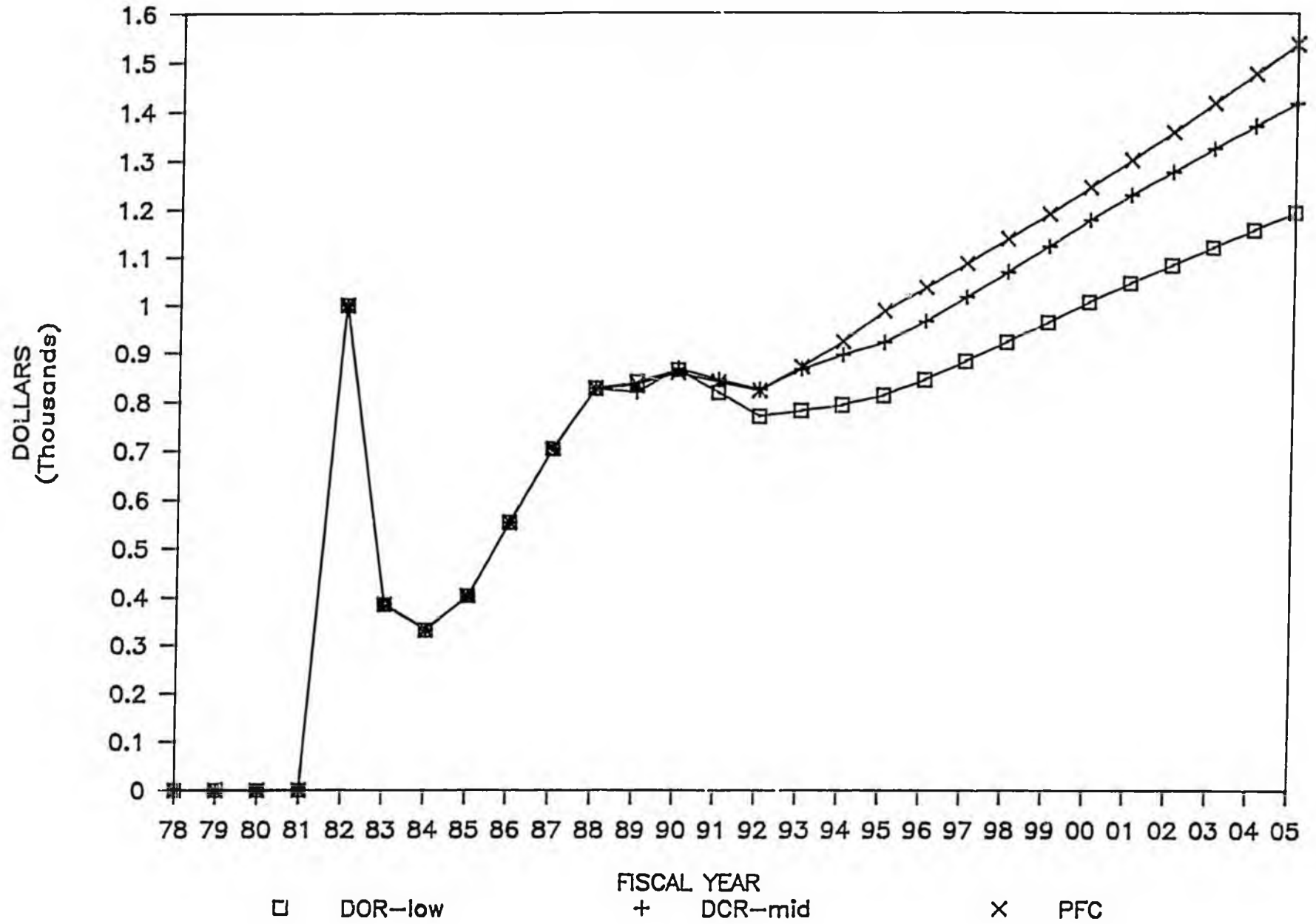
PERMANENT FUND BALANCE



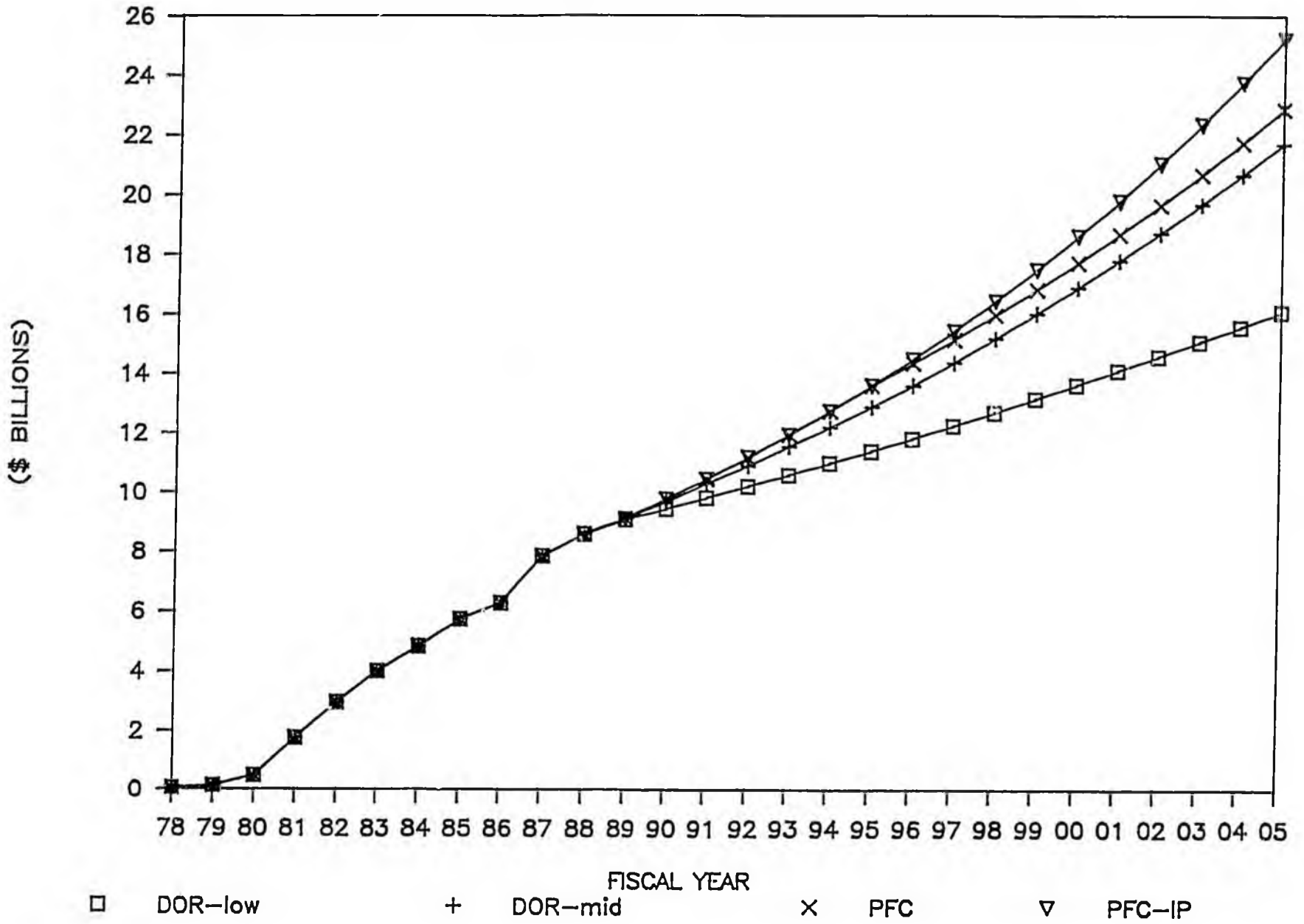
RESERVE BALANCE



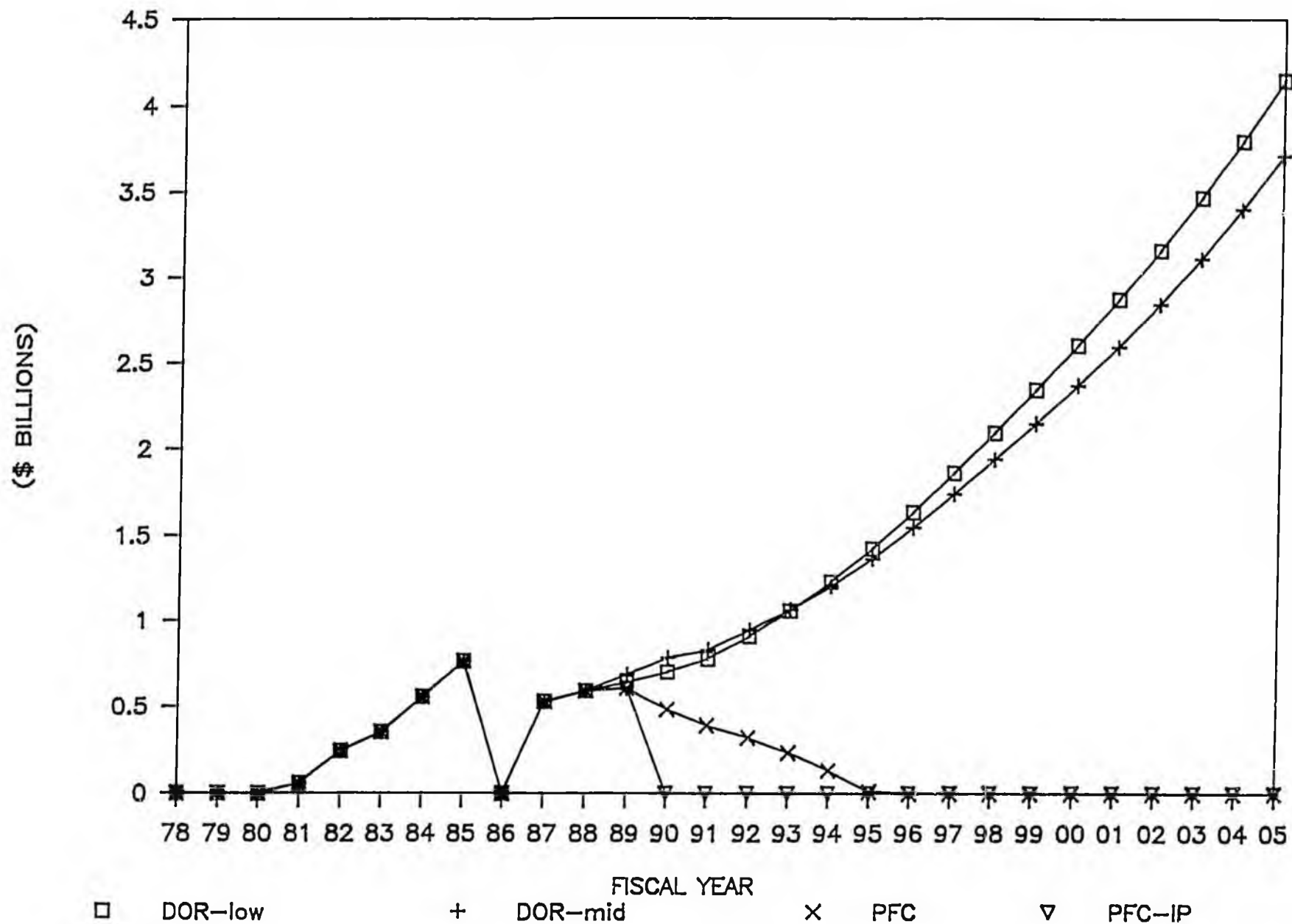
PERMANENT FUND DIVIDENDS



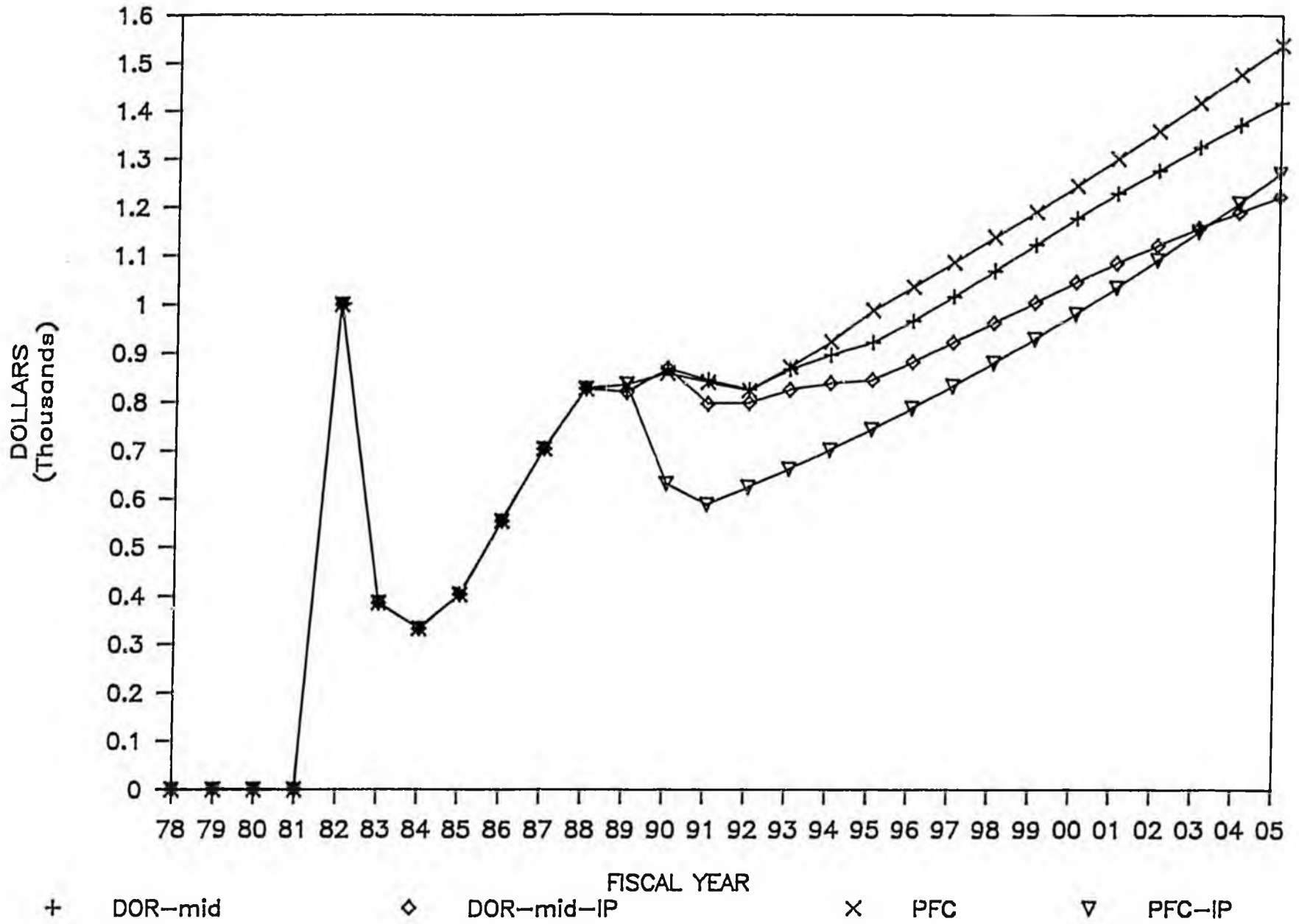
PERMANENT FUND BALANCE



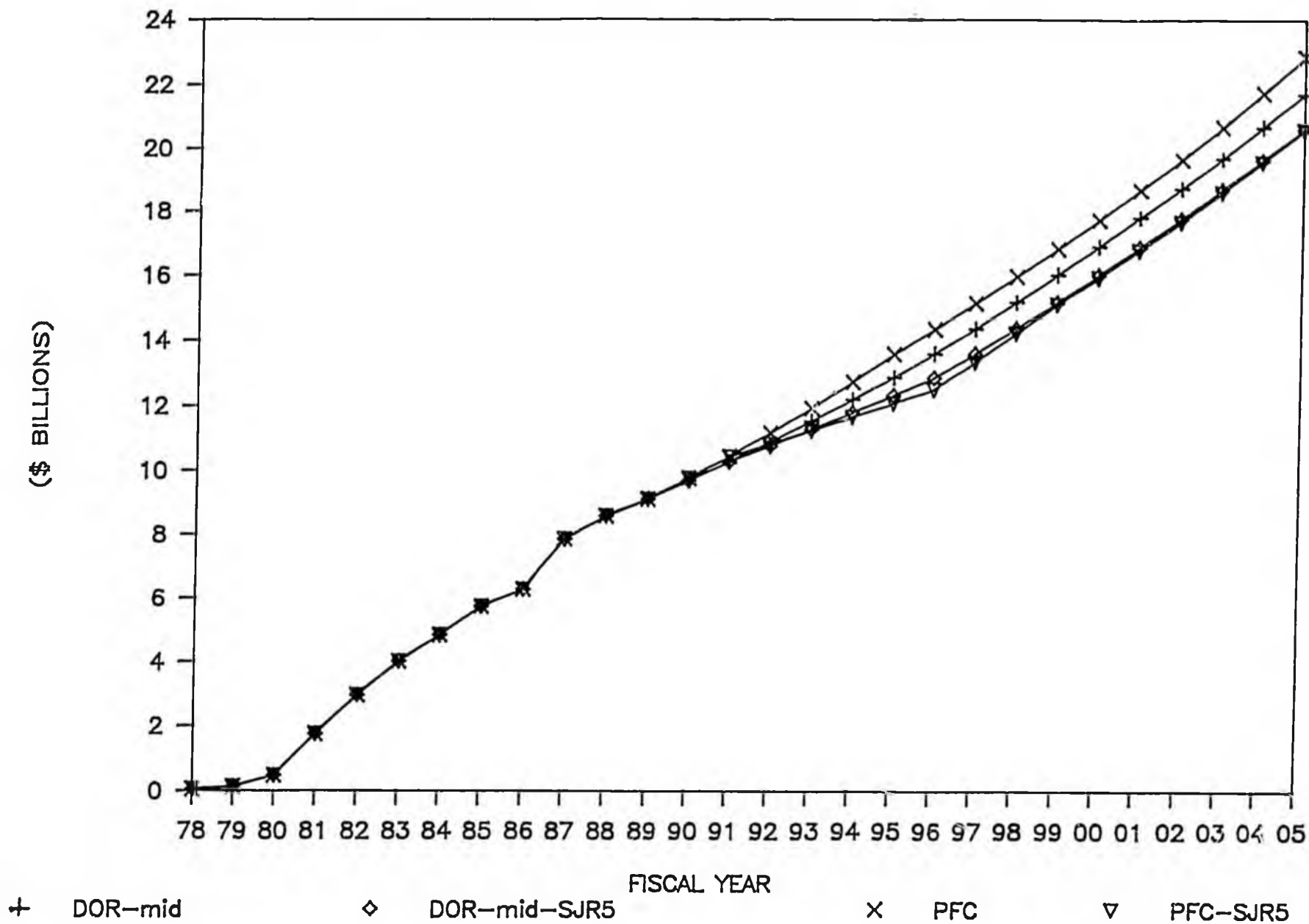
RESERVE BALANCE



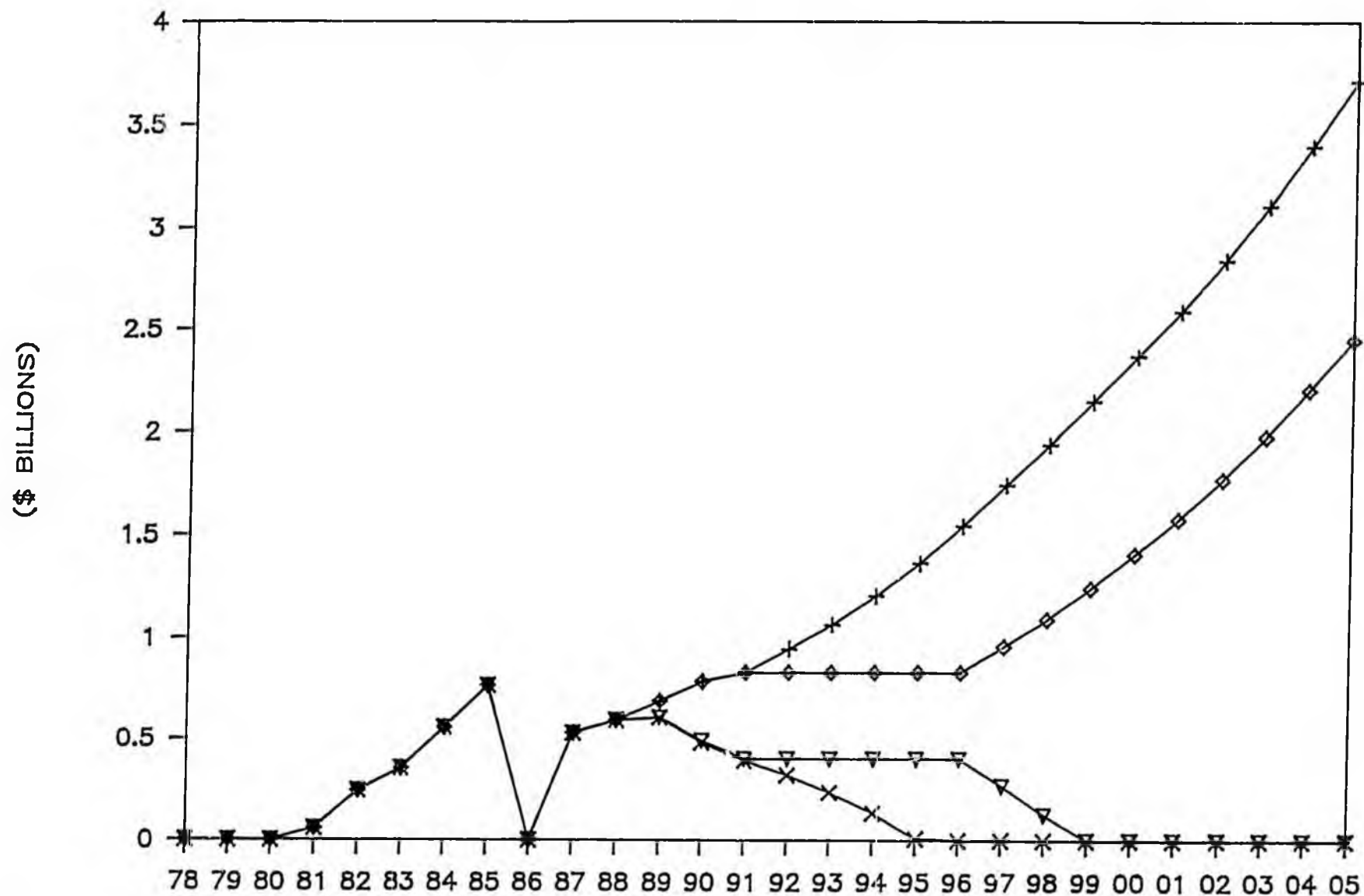
PERMANENT FUND DIVIDENDS



PERMANENT FUND BALANCE



RESERVE BALANCE



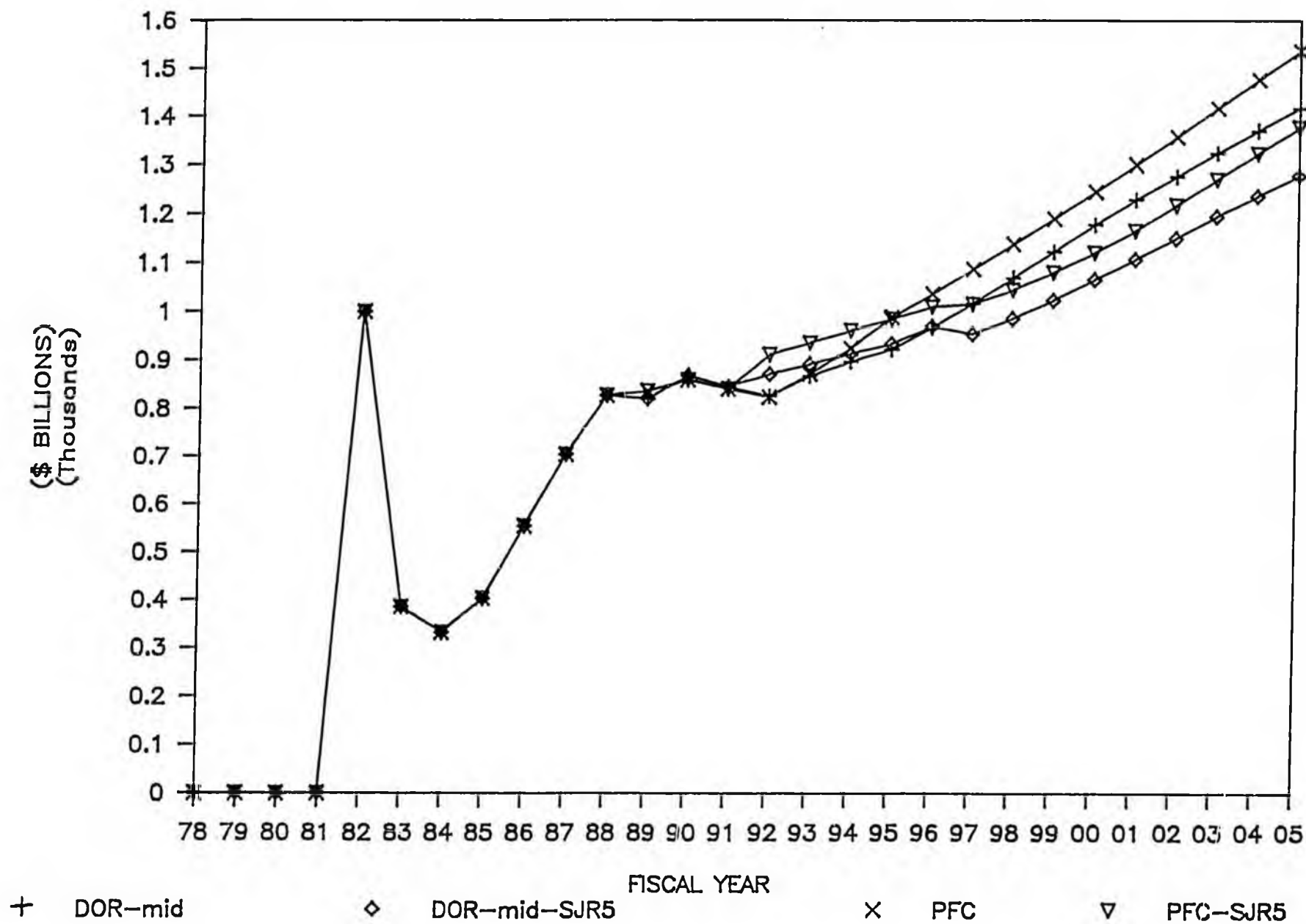
+ DOR-mid

◇ DOR-mid-SJR5

x PFC

▽ PFC-SJR5

PERMANENT FUND DIVIDENDS



HB

3

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HB 3

House State Affairs

3/9/89

House State Affairs

3/14/89

Date of Action: 2/23/89

The TRANSPORTATION Committee recommends that:

HOUSE BILL NO. 3 [ART IN PUBLIC PLACES]

"An Act relating to art in public places; and providing for an effective date."

[] be replaced with c/s HB 3 Transportation [] the same title
[] have attached amendment(s) [] a new title

- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zero fiscal note
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
- [] zero fiscal notes(s) published: _____

SIGNING DO PASS:

Butte Pato
Bill Hulse
Richard J. [unclear]
Baron [unclear]

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Baron [unclear] (No Rec.)

Butte Pato
Chairman's signature



Official Business

COMMITTEE:

House Transportation Committee

DATE: 2/23/89

SIGN-IN

Subject of meeting:

HB: 3

HB: 156

NAME Please include title **ADDRESS** Please use full address. Please include zip. **PHONE** **REPRESENTING** **DO YOU WANT TO TESTIFY?**

NAME Please include title	ADDRESS Please use full address. Please include zip.	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Rodney A Wilson Architect	P.O. Box Z (MS 2500) Juneau 99811	465-2960	DOT/PF	will answer questions
Royce Weller	Dept of Revenue Assd. Comm. Juneau 99811	465-2350	Dept. of Rev.	
Rep. Peter G. ...	P.O. Box V Juneau, AK 99811	465-4855	U.S.C.	
Rep. Alyce ...	P.O. Box V Juneau 99811	465-2688	HB 3	

HB 3

FEBRUARY 21, 1989

COMMITTEE CALENDAR

HB 3: "An act relating to art in public places; and providing for an effective date."

*Alaska Railroad Overview/Bcard Members.

FOR THIS MEETING, YOU HAVE BEEN GIVEN:

Folder 1: HB 3

- ITEM #1: HB 3
#2: Work Draft C/S HB 3 Transportation
#3: Fiscal Note: Department of Transportation
#4: Statutes
#5: Art Program Procedures
#6: Comparison & Information

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
BUREAU ALASKA 99511
907 665 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 22, 1989

SUBJECT: CSHB 3 (Transportation); Resident Artist Requirement

TO: Representative Bette Cato
Chair, House Transportation Committee

FROM: Pamela Finley *PFinley*
Assistant Revisor of Statutes

You have asked for an opinion concerning the constitutionality of the resident artist requirement in proposed AS 35.27.020(g), found in bill section 2 of CSHB 3 (Transportation). This subsection, as it appears in the bill, would require the committee selecting an artist for public buildings or facilities under AS 35.27 to select a resident of Alaska. In all likelihood, this requirement violates the Privileges and Immunities Clause of the federal constitution.

A statute which prefers state residents over non-residents implicates three provisions of the federal constitution---the Privileges and Immunities Clause, the Commerce Clause, and the Equal Protection Clause---as well as the Equal Protection Clause of the state constitution.

A. The Privileges and Immunities Clause

The Privileges and Immunities Clause (sec.2, art. IV, Constitution of the United States) provides:

The citizens of each state shall be entitled to all privileges and immunities of citizens in the several states.

The primary purpose of the clause is to prevent states from discriminating against nonresidents for the purpose of economic protectionism. Robison v. Francis, 713 P.2d 259 (Alaska 1986.) The clause protects only fundamental rights that involve basic and essential activities. Employment on

public construction projects is considered such an activity. United Building and Construction Trades Council of Camden County v. Mayor and Council of the City of Camden, 465 U.S. 208, 104 S. Ct. 1020, 79 L. Ed.2d 249 (1984). It is likely that contracts for art in those public buildings would also be subject to the same protection.

When the Privileges and Immunities Clause applies, discrimination against nonresidents is prohibited unless the state has a substantial justification for the discrimination, and the means employed by the statute are closely related to the interests served by the statute. Robison v. Francis, 713 P.2d 259 (Alaska 1986). To overcome a challenge based on the Privileges and Immunities Clause, the state would have to show that nonresidents are "a peculiar source of the evil" which the state's action is meant to remedy, and that the state's purpose is something other than protecting residents from competition. Robison v. Francis, 713 P.2d 259 (Alaska 1986.)

It is true that the state has greater leeway under this clause in perceiving local evils and prescribing cures when it is acting as a "market participant" (owner of the project) than it does when it is regulating the market as the sovereign. See, United Building and Construction Trades Council of Camden County v. Mayor and Council of the City of Camden, 465 U.S. 208, 104 S. Ct. 1020, 79 L. Ed.2d 249 (1984.) But, in Robison v. Francis, 713 P.2d 259, 265 (Alaska 1986), the court indicated it could give little deference to the state, despite the fact that the state was acting as a "market participant" (owner), because all municipal and state construction projects were covered by the resident preference and because those projects amounted to 60-70% of all commercial construction in the state. If, as I suspect, there are few if any private art projects in Alaska as large as the ones covered by the bill, the decision in Robison would also apply to this bill.

Based on the law discussed above, especially Robison, I think it is likely that the provision in section 2 of the bill would violate the Privileges and Immunities Clause of the federal constitution.

B. The Commerce Clause.

The Commerce Clause does not prohibit a state from favoring its own residents when the state is acting as a "market par-

ticipant." White v. Massachusetts Council of Construction Employers, Inc., 460 U.S. 204, 103 S. Ct. 1042, 75 L. Ed 2d 1 (1983.) Accordingly, the proposed bill should not violate this constitutional provision.

C. The Federal Equal Protection Clause.

Because most resident hire statutes are decided under the Privileges and Immunities Clause, there are not a lot of cases discussing resident hire statutes (not involving durational residency requirements in excess of 30 days) in relation to the federal Equal Protection Clause. The U.S. Supreme Court has upheld a city ordinance requiring city employees to be city residents. McCarthy v. Philadelphia Civil Service Com'n., 424 U.S. 645, 96 S. Ct. 1154, 47 L. Ed.2d 366 (1976.) The problem is that to pass muster under the federal Equal Protection Clause, a statute must be rationally related to a legitimate state purpose. Alaska's Supreme Court has already indicated that making more jobs available for Alaskans is not a permissible justification under the Privileges and Immunities Clause, Robison v. Francis, 713 P.2d 259, 266 (Alaska 1986), and has also used Privileges and Immunities Clause analysis to determine whether a purpose is legitimate for the purposes of the Equal Protection Clause. Hicklin v. Orbeck, 565 P.2d 159, 167 (Alaska 1977), overruled on other grounds, 437 U.S. 518, 98 S. Ct. 2482, 57 L. Ed.2d 397 (1978.) Therefore it is likely that the bill's requirement that the artist be a resident would also violate the federal Equal Protection Clause.

The State Equal Protection Clause

Before the recent addition to the state constitution, of sec. 23, article I (allowing resident preferences to the extent allowed by the federal constitution) it was likely that the bill's residency requirement would have been invalid under the state Equal Protection Clause. See, Robison v. Francis, 713 P.2d 259, 271-272 (Alaska 1986) (Burke, J., concurring.) Since the recent amendment has not yet been construed by Alaska's Supreme Court, it is not clear whether the resident artist requirement would violate the state Equal Protection Clause.

Summary and Suggestions

If the purpose of the resident artist provision is to protect Alaskan artists from competition from nonresident ar-

Representative Bette Cato

Page 4

February 22, 1989

tists, it is likely that the provision would violate the Privileges and Immunities Clause, and possibly the federal Equal Protection Clause as well. If the resident artist provision has some other purpose, the legislative history should clearly establish the validity of the other purpose and a very close link between the purpose and the resident artist requirement. In order to be "legitimate," the discrimination would have to be based on a showing that the nonresidents are "a peculiar source of [some] evil" that the bill is intended to remedy.

I can, however, see no constitutional prohibition against preferring art which has a theme or design evocative of Alaska. Such a requirement would, of course, limit the artistic expression of all the artists (including the residents), but could in some situations give residents an advantage since they are more likely to be familiar with the state.

If I may be of further assistance to you, please advise.

Enclosure

PF:kb
wkk2/043

Original sponsors: Hanley, Zawacki,
and Leman

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE BILL NO. 3 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to art in public places; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 35.27.020(c) is amended to read:

10 (c) One-half [AT LEAST ONE PERCENT OR, IN THE CASE OF A RURAL
11 SCHOOL FACILITY, AT LEAST ONE-HALF] of one percent of the construction
12 cost of a building or facility shall [APPROVED FOR CONSTRUCTION BY THE
13 LEGISLATURE AFTER SEPTEMBER 1, 1977, WILL] be reserved for the follow-
14 ing purposes: the design, construction, mounting and administration of
15 works of art in a school, office building, court building, vessel of
16 the marine highway system, or other building or facility that [WHICH]
17 is subject to substantial public use. All administrative costs,
18 including those of the department, associated with the art project
19 shall be paid from the money reserved under this subsection.

20 * Sec. 2. AS 35.27.020(g) is amended to read:

21 (g) Each selection committee established under AS 35.27.021 [THE
22 ARCHITECT, SUPERINTENDENT, DEPARTMENT, AND THE ALASKA STATE COUNCIL ON
23 THE ARTS] shall encourage the use of state cultural resources in these
24 art works and shall select [THE SELECTION OF ALASKA RESIDENT] artists
25 for the commission of these art works who are residents of the state
26 under AS 01.10.055.

27 * Sec. 3. AS 35.27 is amended by adding a new section to read:

28 Sec. 35.27.021. SELECTION OF ART. (a) The artist who executes
29 a work of art for a public school shall be selected by a majority vote

1 of a committee, with the approval of the school board. The committee
2 shall be composed of the architect, the project manager administering
3 the facility construction, two representatives from the school dis-
4 trict staff, and three members of the public who reside in the commu-
5 nity where the school is located. The president of the school board
6 or a designee shall provide reasonable public notice that public
7 member seats on the committee are available. The school board shall
8 select the representatives from the school district and the members of
9 the public.

10 (b) Except as provided in (a) of this section, an artist who
11 executes a work of art for buildings and facilities shall be selected
12 by a majority vote of a committee convened by the project manager
13 administering the facility construction. The committee shall be
14 composed of the architect, the project manager, a designee of the
15 Alaska State Council on the Arts, a designee of the principal user of
16 the public building or facility, and three members of the public who
17 reside in the community where the building is located. To select the
18 public members, the department shall advertise for applicants by
19 appropriate public notice and pick the members by lottery from among
20 the applicants.

21 (c) All meetings of the selection committee under (a) or (b) of
22 this section are subject to the public meeting and notice requirements
23 of AS 44.62.310.

24 * Sec. 4. AS 44.27.060(b) is amended to read:

25 (b) The commissioner of a department responsible for the design
26 and construction of a building or facility shall deposit into the art
27 in public places fund one-half of one percent of the construction cost
28 of a building or facility if the building or facility is exempt from
29 the requirements of AS 35.27 and the exemption is because

1 (1) the estimated construction cost of the building or
2 facility is less than \$250,000; or

3 (2) the building or facility is not designed for substan-
4 tial public use.

5 * Sec. 5. AS 44.27.060 is amended by adding a new subsection to read:

6 (e) A work of art shall be identified by a permanent plaque
7 installed on or near the work of art. The plaque must contain the
8 name or title of the work of art, the name of the artist, the year of
9 completion, and the names of the members of the selection committee.

10 * Sec. 6. AS 35.27.020(e) and (f) are repealed.

11 * Sec. 7. The amendments made by this Act do not apply to the construc-
12 tion of a building or facility if, before the effective date of this Act,
13 the department or the Alaska State Council on the Arts has entered into a
14 contract to meet the art requirements under this chapter for the building
15 or facility.

16 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).
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REQUEST: **FISCAL NOTE**

Revision Date:
Title: An act relating to Art in Public Places

Agency Affected: DOT&PF
BRU: Buildings Design & Construction
and the Alaska State Council on
the Arts

Sponsor: Hanley
Requestor:

Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	(195)	(195)	(195)	(195)	(195)	(195)
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

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

* International Airport Revenue Fund

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Based on the attached analysis a reduction in the amount of funds for artwork of 1/2% could provide additional construction funds in the amounts indicated.

Prepared by: Rod Wilson, Architect
Division: Engineering & Operations Standards

Phone: 465-2960
Date: 02/17/89

Approved by Commissioner: Mark S. Hickey
Agency: Department of Transportation and Public Facilities

Date: 02/17/89

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

STATEMENT OF ANALYSIS RE:
An act relating to Art in Public Places

FISCAL NOTE PREPARATION FOR:
Committee Substitute for House Bill 3

Assumptions made:

- (1) It has been assumed that language changes to section AS 35.27.020(c) (lines 12 and 13) will not change the current legal opinion excluding federal funds from the artwork requirements.
- (2) Based on anticipated construction activities of \$30 million net savings would result as follows:

\$30,000,000	(current eligible projects)
<u>X .005</u>	(reduced % for artwork)
\$ 150,000	(additional project funds)
<u>X 1.30</u>	(factor for artwork administrative costs)
\$ 195,000	(total of additional available monies)

Due to unpredictability of the future CIP program this same amount has been assumed into the budgets for FY 90 through 94.

Department of Transportation & Public Facilities



POSITION PAPER

BILL NO: CS to HB 3

APPROVED:

A handwritten signature in black ink, appearing to read "Mark D. Hill".

TITLE: An Act Relating to Art in Public Places

DATE: February 17, 1989

The department supports this bill. It is estimated that these changes could provide an additional \$195,000 annually towards actual construction of the facility.

For further information call Catherine A. McHugh at 465-3900

Chapter 25. General Provisions.

[Renumbered as AS 35.95.]

Chapter 27. Art Works in Public Buildings and Facilities.

Section

10. Purpose

20. Art requirements for public buildings and facilities

Section

30. Definitions

Cross references. — For nonapplicability of this chapter to memorials to Alaska veterans, see AS 44.35.030.

Sec. 35.27.010. Purpose. The state recognizes its responsibility to foster culture and the arts and the necessity for the viable development of its artists and craftsmen. The legislature declares it to be a state policy that a portion of appropriations for capital expenditures be set aside for the acquisition of works of art to be used for state buildings and other public facilities. (§ 1 ch 54 SLA 1975)

Legislative history reports. — For House State Affairs Committee report on ch. 54, SLA 1975 (CSHB 133(Fin)), see 1975 House Journal, p. 567; for House Finance Committee report on that bill, see 1975 House Journal, pp. 713-714; for Senate Finance Committee letter of intent on that bill, see 1975 Senate Journal, p. 939.

Sec. 35.27.020. Art requirements for public buildings and facilities. (a) A building or facility constructed after June 30, 1975, or remodeled or renovated after June 30, 1975, shall include works of art, including but not limited to sculptures, paintings, murals or objects relating to Native art.

(b) The department, before preparing plans and specifications for buildings and facilities, shall consult with the Alaska State Council on the Arts regarding the desirability of inclusion of works of art.

(c) At least one percent or, in the case of a rural school facility, at least one-half of one percent of the construction cost of a building or facility approved for construction by the legislature after September 1, 1977, will be reserved for the following purposes: the design, construction, mounting and administration of works of art in a school, office building, court building, vessel of the marine highway system, or other building or facility which is subject to substantial public use.

(d) A building or facility with an estimated construction cost of less than \$250,000 is exempt from the requirements of this chapter unless

inclusion of works of art in the design and construction of the building or facility is specifically authorized by the department.

(e) The artist who executes these works of art shall be selected by the architect for the department with the approval of the department, after consultation with the Alaska State Council on the Arts and the principal user of the public buildings or facilities.

(f) The artist who executes these works of art in the public schools shall be selected by the superintendent of a school district in which a public school is to be built with the approval of the school board. Should the department find in the best interest of the state that the selection of the artist who executes these works of art by the superintendent may result in a cost overrun to the state or delay of construction, the department shall make the selection of the artist in consultation with the superintendent.

(g) The architect, superintendent, department, and the Alaska State Council on the Arts shall encourage the use of state cultural resources in these art works and the selection of Alaska resident artists for the commission of these art works. (§ 1 ch 54 SLA 1975; am §§ 1, 2 ch 96 SLA 1977; am §§ 1 — 4 ch 176 SLA 1980)

Cross references. — For the responsibilities of the Alaska State Council on the Arts in the management of the Art in Public Places Fund, see AS 44.27.060.

Sec. 35.27.030. Definitions. In this chapter

(1) "building" or "facility" means a permanent improvement constructed by the department; the term

(A) includes, but is not limited to,

(i) schools, office buildings, and court buildings;

(ii) other buildings which the commissioner determines are designed for substantial public use;

(iii) boats and vessels of the marine highway system;

(iv) transportation facilities which accommodate traveling passengers;

(B) excludes other transportation facilities;

(2) "commissioner" means the commissioner of transportation and public facilities;

(3) "construction cost" is that cost expended for the actual construction of the facility, exclusive of the costs of land acquisition, site investigation, design services, administrative costs, equipment purchases and any other costs not specifically incurred within the construction contract or contracts awarded for the construction of the facility. (§ 1 ch 54 SLA 1975; am §§ 3, 4 ch 96 SLA 1977; am E.O. No. 39, § 11 (1977); am §§ 5, 6 ch 176 SLA 1980; am § 57 ch 14 SLA 1987)

Sec. 44.27.058. National endowment funds. The council is the official agency of this state to receive and disburse funds made available by the National Endowment for the Arts. (E.O. No. 44, § 4 (1980))

Revisor's notes. — Enacted as AS 44.27.140. Renumbered in 1980.

Sec. 44.27.060. Art in public places fund. (a) The art in public places fund is established. The council shall manage the fund.

(b) The commissioner of a department responsible for the design and construction of a building or facility shall deposit into the art in public places fund one percent of the construction cost of a building or facility if the building or facility is exempt from the requirements of AS 35.27 and the exemption is because

(1) the estimated construction cost of the building or facility is less than \$250,000; or

(2) the building or facility is not designed for substantial public use.

(c) The council may use the money in the art in public places fund

(1) to commission or purchase a work of art which is to be made a permanent part of, or placed on loan in, a building or facility owned or leased by the state which has substantial public use; and

(2) to meet expenses for a commissioned work of art for a building or facility which has substantial public use if the cost of the work of art exceeds the amount reserved under AS 35.27.020(c).

(d) In (c) of this section, "building" or "facility" means

(1) a building or facility of the state, as defined by AS 35.27.030(2), which is designed for and which is subject to substantial public use; and

(2) a building or facility which is leased by the state and subject to substantial public use. (§ 8 ch 176 SLA 1980; am § 97 ch 59 SLA 1982)

Revisor's notes. — Enacted as AS 44.19.942. Renumbered in 1980.

Effect of amendments. — The 1982 amendment substituted "if the building or facility" for "which" in the introductory language of subsection (b).

Article 3. Alaska Historical Commission.

Section

- 61. Creation
- 62. Composition
- 63. Appointment
- 64. Terms of office
- 65. Compensation

Section

- 70. Duties of the commission
- 72. Reports
- 74. Executive director
- 76. Gifts and income

Sec. 44.27.061. Creation. There is created in the Department of Education the Alaska Historical Commission. (E.O. No. 43, § 3 (1980))

Revisor's notes. — Enacted as AS 44.27.040. Renumbered in 1980.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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Chapter 25. General Provisions.

[Renumbered as AS 35.95.]

Chapter 27. Art Works in Public Buildings and Facilities.

<p>Section 10. Purpose 20. Art requirements for public buildings and facilities</p>	<p>Section 30. Definitions</p>
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Cross references. — For nonapplicability of this chapter to memorials to Alaska veterans, see AS 44.35.030.

Sec. 35.27.010. Purpose. The state recognizes its responsibility to foster culture and the arts and the necessity for the viable development of its artists and craftsmen. The legislature declares it to be a state policy that a portion of appropriations for capital expenditures be set aside for the acquisition of works of art to be used for state buildings and other public facilities. (§ 1 ch 54 SLA 1975)

Legislative history reports. — For House State Affairs Committee report on ch. 54, SLA 1975 (CSHB 133(Fin)), see 1975 House Journal, p. 567; for House Finance Committee report on that bill, see 1975 House Journal, pp. 713-714; for Senate Finance Committee letter of intent on that bill, see 1975 Senate Journal, p. 939.

Sec. 35.27.020. Art requirements for public buildings and facilities. (a) A building or facility constructed after June 30, 1975, or remodeled or renovated after June 30, 1975, shall include works of art, including but not limited to sculptures, paintings, murals or objects relating to Native art.

(b) The department, before preparing plans and specifications for buildings and facilities, shall consult with the Alaska State Council on the Arts regarding the desirability of inclusion of works of art.

(c) At least one percent or, in the case of a rural school facility, at least one-half of one percent of the construction cost of a building or facility approved for construction by the legislature after September 1, 1977, will be reserved for the following purposes: the design, construction, mounting and administration of works of art in a school, office building, court building, vessel of the marine highway system, or other building or facility which is subject to substantial public use.

(d) A building or facility with an estimated construction cost of less than \$250,000 is exempt from the requirements of this chapter unless

Sec. 44.27.058. National endowment funds. The council is the official agency of this state to receive and disburse funds made available by the National Endowment for the Arts. (E.O. No. 44, § 4 (1980))

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(1) a building or facility of the state, as defined by AS 35.27.030(2), which is designed for and which is subject to substantial public use; and

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Revisor's notes. — Enacted as AS 44.19.942. Renumbered in 1980.

Effect of amendments. — The 1982 amendment substituted "if the building or facility" for "which" in the introductory language of subsection (b).

Article 3. Alaska Historical Commission.

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Revisor's notes. — Enacted as AS 44.27.040. Renumbered in 1980.

Article 6. Agency Meetings Public.**Section**

310. Agency meetings public

312. State policy regarding meetings

Sec. 44.62.310. Agency meetings public. (a) All meetings of a legislative body, of a board of regents, or of an administrative body, board, commission, committee, subcommittee, authority, council, agency, or other organization, including subordinate units of the above groups, of the state or any of its political subdivisions, including but not limited to municipalities, boroughs, school boards, and all other boards, agencies, assemblies, councils, departments, divisions, bureaus, commissions or organizations, advisory or otherwise, of the state or local government supported in whole or in part by public money or authorized to spend public money, are open to the public except as otherwise provided by this section. Except for meetings of a house of the legislature, attendance and participation at meetings by members of the public or by members of a body may be by teleconferencing. Agency materials that are to be considered at the meeting shall be made available at teleconference locations. Except when voice votes are authorized, the vote shall be conducted in such a manner that the public may know the vote of each person entitled to vote. The vote at a meeting held by teleconference shall be taken by roll call. This section does not apply to any votes required to be taken to organize a public body described in this subsection.

(b) If excepted subjects are to be discussed at a meeting, the meeting must first be convened as a public meeting and the question of holding an executive session to discuss matters that come within the exceptions contained in (c) of this section shall be determined by a majority vote of the body. No subjects may be considered at the executive session except those mentioned in the motion calling for the executive session unless auxiliary to the main question. No action may be taken at the executive session.

(c) The following excepted subjects may be discussed in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the government unit;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential.

(d) This section does not apply to

- (1) judicial or quasi-judicial bodies when holding a meeting solely to make a decision in an adjudicatory proceeding;
- (2) juries;

(3) parole or pardon boards;
 (4) meetings of a hospital medical staff; or
 (5) meetings of the governing body or any committee of a hospital when holding a meeting solely to act upon matters of professional qualifications, privileges or discipline.

(e) Reasonable public notice shall be given for all meetings required to be open under this section. The notice must include the date, time, and place of the meeting, and if the meeting is by teleconference the location of any teleconferencing facilities that will be used.

(f) Action taken contrary to this section is void. (§ 1 art VI (ch 1) ch 143 SLA 1959; am § 1 ch 48 SLA 1966; am § 1 ch 78 SLA 1968; am § 1 ch 7 SLA 1969; am §§ 1, 2 ch 98 SLA 1972; am § 2 ch 100 SLA 1972; am § 1 ch 189 SLA 1976; am §§ 2, 3 ch 54 SLA 1985)

Effect of amendments. — The 1985 amendment in subsection (a) added the second, third, and next-to-last sentences and in the last sentence substituted "a

public body described" for "the bodies specified" and added the last sentence of subsection (e).

NOTES TO DECISIONS

"Meeting". — A private meeting between a quorum of the Anchorage Municipal Assembly and a developer to discuss in detail the developer's application for rezoning violated this section; a "meeting" for purposes of the Open Meetings Act includes every step of the deliberative and decision-making process when a governmental unit meets to transact public business. The rezoning ordinance later passed by the assembly that allowed a modified plan of development was therefore held void. *Brookwood Area Homeowners Ass'n v. Municipality of Anchorage*, Sup. Ct. Op. No. 2953 (File Nos. S-575, S-629), 702 P.2d 1317 (1985).

Findings. — There is nothing in the Administrative Procedure Act requiring a board to make any findings when exercising its quasi-legislative function, and therefore there is nothing in the act regulating the manner in which findings must be adopted or approved. *State v. Hebert*, Ct. App. Op. No. 748 (File A-1743), P.2d (1987).

Legislature's alleged violation of Open Meetings Act held nonjusticiable. — The Open Meetings Act, as it applies to the legislature, like the legislature's Uniform Rule 22, merely establishes a rule of procedure concerning how the legislature has decided to conduct its business; a failure to follow a rule of procedure is not the subject matter of judicial inquiry where there are no allegations that the legislature, acting pursuant to or in violation of one of its rules of procedure, has infringed on the rights of a third person not a member of a legislature or has ignored constitutional restraints or violated fundamental rights. *Abood v. League of Women Voters*, Sup. Ct. Op. No. 3230 (File Nos. S-1831, S-1841, S-1957), 743 P.2d 333 (1987).

Applied in *Meiners v. Bering Strait School Dist.*, Sup. Ct. Op. No. 2857 (File Nos. S-125, S-140), 687 P.2d 267 (1984); *Abood v. Gorsuch*, Sup. Ct. Op. No. 2958 (File No. S-706), 703 P.2d 1158 (1985).

Sec. 44.62.312. State policy regarding meetings. (a) It is the policy of the state that

(1) the governmental units mentioned in AS 44.62.310(a) exist to aid in the conduct of the people's business;

(2) it is the intent of the law that actions of those units be taken openly and that their deliberations be conducted openly;

(3) the people of this state do not yield their sovereignty to the agencies which serve them;

(4) the people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know;

(5) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created;

(6) the use of teleconferencing under this chapter is for the convenience of the parties, the public, and the governmental units conducting the meetings.

(b) AS 44.62.310(c)(1) shall be construed narrowly in order to effectuate the policy stated in (a) of this section and avoid unnecessary executive sessions. (§ 3 ch 98 SLA 1972; am § 4 ch 54 SLA 1985)

Effect of amendments. — The 1985 amendment added paragraph (6) of subsection (a).

NOTES TO DECISIONS

Quoted in Brookwood Area Home-owners Ass'n v. Municipality of Anchorage, Sup. Ct. Op. No. 2953 (File Nos. S-575, S-629), 702 P.2d 1317 (1985).

Article 7. Legislative Review of Rules.

Sec. 44.62.320. Legislative annulment of regulations and review.

Editor's notes. — The Alaska Const., art. II, § 22 amendment proposal that was mentioned in the notes to decisions was defeated in the November, 1984 election.

Article 8. Administrative Adjudication.

<p>Section 330. Application of AS 44.62.330 — 44.62.630</p>	<p>Section 410. Time and place of hearing 600. Voting procedure</p>
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Sec. 44.62.330. Application of AS 44.62.330 — 44.62.630.

(a) The procedure of the state boards, commissions, and officers listed in this subsection or of their successors by reorganization under the constitution shall be conducted under AS 44.62.330 — 44.62.630. This procedure, including, but not limited to, accusations and statements of issues, service, notice and time and place of hearing, subpoenas, depositions, matters concerning evidence and decisions, conduct of hearing, judicial review and scope of judicial review, continuances, reconsideration, reinstatement or reduction of penalty, contempt, mail vote, oaths, impartiality, and similar matters shall be governed by this chapter, notwithstanding similar provisions in the statutes dealing with the state boards, commissions, and officers listed. Where indi-

PERCENTAGE FOR PUBLIC ART PROGRAM PROCEDURES

I. Purpose of Alaska Statute 35.27.010-030, amended.

The legislation declares, "The state recognizes its responsibility to foster culture and the arts and the necessity for the viable development of its artists and craftsmen. The legislature declares it to be a state policy that a portion of appropriations for capital expenditures be set aside for the acquisition of works of art to be used for state buildings and other public facilities."

The Department of Transportation and Public Facilities (DOTPF) and the Alaska State Council on the Arts (ASCA) have defined the following goals related to the purpose of the Act:

GOAL: To nurture our living culture by recognizing and providing for the aesthetic needs and the artistic growth of the people of Alaska.

SUBGOALS:

1. To Provide access to works of art in public spaces;
2. To offer a variety of visual experiences in varied styles, methods and media;
3. To further humanize our man-made surroundings with the artistic statements of living artists.
4. To provide a supportive working environment and the opportunity for personal creative accomplishment;
5. To contribute to the development and recognition of a professional artistic community; and
6. To accomplish broad cultural goals by introducing new visual ideas to the general public.

II. Definitions

A. "Works of Art": For the purpose of this Act, all forms of original creations of visual art objects, including but not limited to:

1. Sculpture; in the round, bas relief, high relief, mobile, fountain, kinetic, electronic, etc., in wood, clay, stone, metal, plastic, fiber, ivory, concrete, etc.
2. Painting; in oil, tempera, acrylic, water soluble medium, etc on wood, paper, canvas, skin, prepared surface, etc.
3. Graphics;
 - a. Prints in silk-screen, lithography, etching, embossing, and other techniques on paper, etc.
 - b. Drawing in pencil, ink, charcoal, pastel, etc. on paper, skin, bone, etc.

4. Murals, mosaics, super-graphics, frescos; in paint, tile, glass, stone, etc., on a prepared surface.
 5. Photographs; on light sensitive paper, light sensitive emulsions, etc.
 6. Ceramics; in porcelain, clay, etc., in functional and non-functional application.
 7. Fiber; in wool, cotton, leather, grass, etc., in functional and non-functional application.
 8. Metalcrafts; in copper, silver, gold, etc., singularly or in combination with other metals or materials.
 9. Mixed Media; any combination of materials or forms.
- B. "Artist": A practitioner in the visual arts, generally recognized by critics and his or her peers as a professional who is committed to producing high quality work on a regular basis. Indicators of professionalism include but are not limited to proportion of income received from art sales, or art related activities, frequent or consistent exhibitions, purchase of works by museums and other public institutions. The project architect or a member of the project architect's firm will generally not be considered as an eligible artist for consideration unless they are specifically solicited by the art advisory committee.
- C. "User Agency": The state agency or state-funded institution for which funds have been set aside for artworks from the construction appropriation for any new facility or renovation project within its jurisdiction.
- D. "Agency Representative": A person within the user agency, or another person designated by and from that agency who represents the agency and has decision authority during the selection process.
- E. "Site": The physical space occupied by the work of art.
- F. "Construction Cost": The cost expended for the actual construction of the facility, exclusive of the costs of the land acquisition, site investigation, design services, administrative costs, equipment purchase and any other costs not specifically incurred within the construction contract or contracts awarded for the construction of the facility.
- G. "Public Facilities": Including, but not limited to, schools, office buildings, court buildings, the vessels of the state ferry system, and other facilities designed for substantial public use.

III. Location

The work of art must either be an integral part of the facility, attached to the facility or detached within or outside the facility. The artwork must be within reasonable proximity of the facility. Portable artworks may be exhibited outside the facility in other public facilities as long as the artworks have a permanent place to reside in the facility that is being constructed.

IV. Inclusions and Exclusions

- A. Inclusions: The portion of the capital appropriations reserved for works of art may be expended for the purchase of existing works of art or commissioned pieces and the design consultant services of artists. The following are included:
1. The cost of the work of art: Generally if the artist is commissioned to produce a new work, the following are taken into account in the contract:
 - a. Artists's fee for professional design and execution of a work of art and for consultation and on-site preparation for art works.
 - b. Labor of assistants, and materials required for production of the work.
 - c. Studio and operating costs of the artists, including rent, depreciation, utilities, communications, insurance, and other direct and indirect costs.
 - d. Travel of the artist for the site visitation(s) and research.
 - e. Transportation of the work to the site.
 - f. Installation of the completed work
 - g. Taxes where applicable.
 2. Waterworks and electrical and mechanical devices or equipment which are integral parts of the work of art.
 3. Frames, mats, or pedestals necessary for the proper presentation of the works of art.
 4. Exhibitions and educational aspects.
 5. Site modification necessary for the installation of the work of art.
- B. Exclusions: The portion of the capital appropriation reserved for works of art may not be expended for the following:
1. Reproductions by mechanical or other means of original works of art. Included, however, may be limited editions, controlled by the artist, of original prints, cast sculpture, photographs, etc.
 2. Decorative, ornamental, or functional elements which are designed by the building architect or consultants other than artists under these procedures engaged by the architect (see V., paragraph 3.)
 3. Those elements generally considered to be components of a landscape architectural design: plant materials, pools, paths, benches, receptacles, fixtures, planters, etc. (Exceptions to this are noted under General Policies).

4. "Art Objects" which are mass produced of standard design such as a playground sculpture or fountains.
5. Directional, or other functional elements, such as super-graphics signing, color coding, maps, etc., except where a recognized graphic artist is employed under these procedures.
6. Those items which are required to fulfill the basic purpose of the agency. Examples would be works of art in the collection of a state museum, or works of art fulfilling an interpretive or educational role in a state park, the state library, or a college or university art museum or gallery.
7. Preparation of the adjacent areas necessary for access to the work of art.
8. Recurring operational costs of electrical, water, or mechanical service for activation of the work.
9. In connection with the works of art, after they are installed; lighting, registration, dedication, unveiling, insurance, security, publicity or publications, and maintenance (preservation, conservation, restoration, repair).

V. Scope and Nature of Expenditures

The act applies to all state facilities and all grants of state funds to municipal and other agencies for capital construction projects.

The one per cent of construction cost is a required minimum with the exception of public schools funded after September 1, 1977 for which the required minimum is one-half of one per cent of the construction cost.

In cases where the project architect is working closely with the artist(s) from the inception of a project, the DOTPF may negotiate a separate contract with the project architect for the artist(s)' design services. Such a contract for artist consultation will not be construed to define the artist as a member of the architectural firm.

VI. Selection Principles

A. Criteria for selected works:

1. Quality: Of highest priority is the inherent quality of the work itself.
2. Media: All visual art forms may be considered.
3. Style and Nature: The art should be appropriate in scale, material, form, and content for both its immediate environment and for the general environment in which it is placed.

- 4. Elements of Design: The art advisory committee and the artist will take into account the fact that, as differentiated from works in a museum context, art in public places may serve to establish focal points; terminate areas, modify, enhance, or define specific places; or establish identity.
- 5. Permanence: Due consideration will be given to structural and surface soundness and to permanence in terms of relative proof against theft, vandalism, weathering, or excessive maintenance or repair costs.
- 6. Method of acquisition: Either existing works or those commissioned specifically for the site may be acquired.
- 7. Diversity: The participating agencies will strive, in the overall program, to attain reasonable diversity in style, scale, media, and materials represented.

B. Eligibility of Artists:

- 1. Alaska artists: Preference will be given to artists currently residing in the State of Alaska at the time of review by the art advisory committee for the project.
- 2. Artists from Other Areas: Certain artists from other areas may, because of their unique talents or style, be the logical choice of an art advisory committee.

VII. Selection Procedures

A. Public Schools: The superintendent of a school district in which a public school is to be constructed will be responsible for establishing selection procedures for artist and art work selection with the approval of the local school board. The Alaska State Council on the Arts may be consulted concerning procedures, review of artist portfolios, contracting procedures, and purchase of art from the Public Art Collection.

B. Facilities Except Public Schools:

- 1. Notification: Upon receipt of allocated construction funds the DOTPF shall notify the ASCA of the amount of the projected construction contract, the function and location of the proposed facility, the amount of the 1% public art allocation, and the name and address of the project architect when that person and firm has been selected.
- 2. Methods of Acquisition: The ASCA will advise the agency representative of the owner agency which of the acquisition methods is the most feasible, depending upon the amount of public art monies available and the function and location of the proposed facility. Three recommended categories are identified:

- a. Category I - Amounts under \$5,000.
 - 1) Portable Art: Selection of existing works by arts advisory committees either by public viewing or through slide presentation.
 - 2) Artists-in-Residence: An educational participatory residency by an artist selected by the art advisory committee resulting in a permanent work of art for the facility.
- b. Category II - Amounts over \$5,000 but less than \$20,000.
 - 1) Includes Portable Art and Artists-in-Residence and,
 - 2) Design Integrated Commissions: Works of art especially commissioned for the specific sites which will in some way be integrated into the overall facility or specific site, or which will reflect some special function or aspect of the owner agency.
- c. Category III - Amounts over \$20,000.
 - 1) Includes Portable Art and Artists-in-Residence, Design Integrated Commissions, and,
 - 2) Architecture Integrated Commissions: Major works of art which are integrated into the facility design, or works which will require special design consideration for their installation or display.

3. Art Advisory Committee: A special committee will be chosen according to the category of acquisition. The Committee shall be responsible for the necessary recommendations and/or the selections of art for the proposed facility.

a. Appointments:

- 1) Facility Users and Community representatives will be appointed by the agency representative. Composition should include individuals knowledgeable in the arts and be representative of the regular users of the facility. To insure maximum involvement of the community and users, a wide variety of view points should be included.
- 2) Public Art Panel members are artists appointed to the panel by the Chairman of the ASCA. A regional representative of the panel will be delegated by the ASCA Chairman to each of the art advisory committees where their presence is indicated.
- 3) ASCA Visual Arts Committee members are appointed by the ASCA Chairman from among the members of the ASCA and delegated to each appropriate committee by the ASCA Chairman.

NOTE: The project architect, a member of the project architect's firm, an ASCA member or Public Art Panel member that is participating on an art advisory committee may not be considered for a commission or have their work considered for purchase.

b. Composition:

- 1) Category I: Agency Representative (Chairman)
Project Architect
Facility Users/Community Representatives
- 2) Category II: Agency Representative (Chairman)
DOTPF Regional Design Manager
Project Architect
Facility Users/Community Representatives
Regional member of the Public Art Panel
- 3) Category III: Agency Representative (Chairman)
DOTPF Regional Design Manager
Project Architect
Facility Users/Community Representatives
Regional Member of the Public Art Panel
Member of the ASCA Visual Arts Committee

4. Methods of Commission

- a. Direct Commission. The art advisory committee will review the portfolios of artists that have been filed with the ASCA. If there are artists in whom they express interest that are not represented by the portfolios, they may request that the artist be contacted to determine if he/she would like to file a portfolio and be considered. The committee will select three artists of their choice for each work of art to be commissioned and place them in priority. Upon approval from the ASCA the artists will be contacted by the user agency in order to determine if they are willing and able to undertake the commission.

When a contract has been negotiated by DOTPF, it will include a 5% design fee as the first payment. The artist will prepare a written presentation accompanied by sketches, plans, and/or a model of the proposed work of art. The committee will review the plan and recommend acceptance, rejection or modifications. If and when approval is given by the art advisory committee the artist will proceed into the production phase of the project. If agreement is not reached the contract will be terminated and the next artist on the priority list will be contracted for a similar procedure.

- b. Limited Competition. Based on portfolio review the art advisory committee will invite a limited number of artists to present a detailed written proposal accompanied by sketches, plan and/or model for the selected site(s). A design fee equal to 5% of the total commission value will be paid to each artist that is invited to enter. The artists may be invited to personally present their proposal to the committee. In such a case the artists' transportation and per diem costs will be provided by the owner agency.

When a decision is reached a contract will be negotiated with the selected artist(s) per 5. below. Should none of the designs be selected the committee will start the selection process over (See Reconsideration).

The design fees paid to the artists will be drawn from the percentage for public art funds available to the project.

- c. Other forms of competitions: Special projects may suggest other selection methods.
5. Contract Authority: For all methods the contracting authority shall be DOTPF with approval of contract and payments by the ASCA. Technical assistance in contract preparation may be obtained from the ASCA upon request.

VIII. Reconsideration process

When reconsideration of the selection of artist or works for purchase is requested by an agency's art advisory committee approval of reconsideration must be obtained from the ASCA.

The art advisory committee must discuss the project with the selected artist(s). If no agreement can be reached the agency must notify the ASCA and the following methods may be implemented:

- A. A joint meeting with the artist, agency, and Visual Arts Committee of the ASCA to work out a solution.
- B. Request the artist to resubmit alternative examples or designs for the project.
- C. Place the project into another round of selections.
- D. Employ another procedure for selection.

All costs of reconsideration will be born by the owner agency requesting the reconsideration.

IX. Variance

There may be some capital construction projects funded by the State of Alaska for which inclusion of works of art may be inappropriate due to lack of substantial public use. The owner agency of the proposed facility may request in writing permission for exemption, in whole or in part, from the requirements of the Percentage for Public Art Act from the ASCA. The ASCA will review the request in relation to the potential aesthetic benefits to the principal users of the building and the community-at-large and recommend to DOTPF to accept, reject, or modify the percentage of construction costs that will be allocated.

X. Documentation and Evaluation

A. For the documentation of the Percentage for Public Art Program the artist will furnish the ASCA and the DOTPF the following photographs of the completed work as installed:

- 1. Two 35 mm color slides of good quality to each agency;
- 2. Two 8" x 10" black and white glossy photographs to each agency; and
- 3. A full written description of each piece.

B. Identification: Plaques or labels identifying the work will be provided by the ASCA and will be permanent, unobtrusive and well designed. Included will be the name of the artist, title of the work (if any), medium and year completed.

C. Registration: The ASCA will maintain accession records similar to those of art museums for all public art acquisitions, including those of public schools. Owner agencies including public schools will register all portable works as public agency property under the normal procedures.

D. Evaluations: The ASCA shall annually make a public written report to the DOTPF on the projects of the previous year and shall conduct periodic evaluations of the program.

PERCENTAGE FOR PUBLIC ART RESPONSIBILITIES AND GENERAL POLICIES

Responsibilities

A. The Department of Transportation and Public Facilities shall:

- 1. Upon receipt of allocated construction funds for a specific project(s), notify the ASCA of the projected amount of the construction contract, the facility(s) location(s) and function(s), agency representative(s), and amount of Percentage for Public Art allocation.

2. Contract with the selected artist(s) for works of art and make contract payments upon approval of the ASCA.
3. Maintain such records as are required for the execution of contracts.
4. Accept, reject, or modify the ASCA recommendations for variance from the Act.

B. The Alaska State Council on the Arts shall:

1. Notify the user agency of the amount of Percentage for Public Art allocation and request the appointment of an agency representative, and facility user/community representatives.
2. Appoint Public Art Panel members or Visual Arts Committee members to the Art Advisory Committees as required.
3. Approve final selections of Art Advisory Committees and forward the names of recommended artists to DOTPF.
4. Assist in contract negotiations with artists.
5. Review requests for variances and forward recommendation to DOTPF.
6. Maintain accession records of all art acquisitions.
7. Provide identification labels for all art acquisitions.
8. Conduct a yearly review of the overall program.

C. The Advisory Committee shall:

1. Meet to consider the location(s), method(s) of acquisition, and artist(s) based upon the amount of Percentage for Public Art allocation.
2. Forward recommendations to ASCA.
3. Review proposals prepared by artists and forward recommendation to the DOTPF.

D. The User Agency shall:

1. Appoint an agency representative and form a local art advisory committee in consultation with the ASCA.

2. Be responsible for maintenance, repair and security of the work(s)
3. Handle public information aspects of the project with assistance from the ASCA.

E. The Project Architect shall:

1. Recommend to the art advisory committee specific sites for works of art and the scale and type of work most appropriate.
2. If requested, work closely with the artist, provide engineering and technical assistance to the artist and supervise the delivery and installation of the work under contract with the contracting agency.
3. Assure that all service requirements for the work of art are met in the design documents.

F. The Artist shall:

1. Submit proposals as outlined by contract.
2. Be commissioned by the contracting agency to execute and complete the work in a timely and professional manner, or transfer title of an existing work of art to the agency for incorporation in its new or renovated facility.
3. Preferably deal personally with all other parties in all phases of the negotiations. However, the artist may, at his/her option, designate dealers or agents to represent him/her in certain aspects of the project.
4. Maintain a close working relationship with the architect.

General Policies

- A. **Integration of Art and Architecture:** So that artists and architects can gain from each others' design insights and, thereby produce a more integrated solution, all parties involved should strive for engagement of the artist or artists as soon as possible after the employment of the architect.
- B. **Design Services by Artists:** Architects are encouraged to contract with artists for custom design of lighting fixtures and systems, gates, railings, fences, doors, door knobs, drawer pulls, furniture, hand-crafted musical instruments, planters, benches, windows, signs maps and other equipment, accessories, and architectural elements. The consultation of an artist(s) is also encouraged during the design of display areas for portable works of art. The cost of artist design services may be borne by the Percentage for Public Art Program monies. The selection of artists would fall under these procedures.

- C. Freedom of expression: All parties shall encourage the artists to reach creative solutions to the design problems they have been employed to solve. The artist, on their part, must be sensitive to the unique qualities of public art and the guidelines and parameters which, of necessity, have been agreed upon.
- D. Exhibitions and Educational Aspects: To serve various publics more fully, the contracting agencies should consider undertaking the following, funded with monies other than those made available under the Percentage for Public Art Act:
1. Exhibitions of sketches and maquettes from limited or open competitions.
 2. Involvement of students and art instructors in workshops with artists creating works, especially those for educational institutions.
 3. Employment of an artist to design, jointly, with elementary and secondary school students, a work for a school with the design motifs springing from the school's history and heritage, the cultural traditions of ethnic minorities, or simply the rich imagination of the students. A present or former Artist-in-Residence could be a candidate for such a project.
 4. Tours of a site involving many works, conducted by trained docents.
 5. Use of state educational and other facilities by the artist in development of concepts and creation of the work, so that state employees and students can witness and assist in the creative act. Such facilities might include studio space, foundries, machine welding and woodworking shops, printing and photographic facilities, etc.
- E. Professional Assistance. Where suitable, the private sector may be consulted. Gallery owners and dealers provide valuable assistance in gaining access to quality art works throughout the State. The ASCA recommends that dealers' fees on new commissioned works should not exceed 10% of the artist's fee after manufacture or cost of the work is subtracted.

All public agencies shall deal directly with the artist unless otherwise requested by the artist.

- F. Supplemental Funds: The National Endowment for the Arts provides matching funds for works of art in public places on a grants application basis. In some cases the agency may generate funds locally to supplement their art allocation. The ASCA encourages the utilization of these resources in matching state funds.
- G. Publications: As collections grow, owner agencies are encouraged to publish informative folders and booklets on their works of art. The ASCA will offer editorial and professional assistance if requested.