



**KAWERAK, INC.** • P.O. Box 948 • Nome, AK 99762

TEL: (907) 443-5231 • FAX: (907) 443-4452

February 6, 2018

To: The Honorable Representative Chris Tuck

**RE: HB233 Education Tax Credits Legislation**

Dear Representative Tuck,

Kawerak, Inc., supports extending the Education Tax Credit sunset from December 31, 2018 to January 1, 2025.

As State and Federal funding streams have been eliminated from NACTEC's budget in recent years, the Education Tax Credit has provided a mechanism to seek funding through industry partners that has grown enrollment in Nome's Regional Training Center. As enrollment in NACTEC vocational training has increased, high school graduation rates began a steadily climb from an average of 39% in the years before tax credit availability (FY05-FY09), increasing to an average of 76% in FY13-FY17.

A 2009 research study by Northeastern University determined the lifetime cost of a dropout was **\$292,000** in incarceration costs and lower tax revenues. The Bering Strait School District has seen its 12th grade dropouts decrease from an average of 38 in FY07-FY09 to an average of 9 in FY15-FY17; **resulting in a savings of \$8.5M** per graduating class, as more students are now engaged and staying in school. NACTEC's vocational training programs have been recognized as critical to this remarkable transformation, with education tax credits as a primary source of funding support.

The education tax credit is a program that should be recognized as working for intended outcomes and one deserving of a sunset extension.

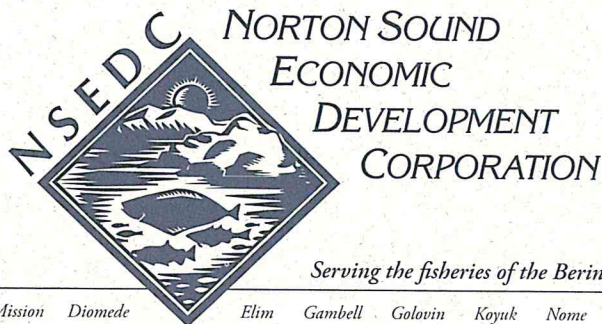
Sincerely,

KAWERAK, INC.

*Melanie Bahnke*  
Melanie Bahnke, President

Cc: Representative Neal Foster  
Representative Charisse Millet

SERVING THE  
VILLAGES OF:  
BREVIG MISSION  
COUNCIL  
DIOMEDE  
ELIM  
GAMBELL  
GOLOVIN  
KING ISLAND  
KOYUK  
MARY'S IGLOO  
NOME  
SAVOONGA  
SHAKTOOLIK  
SHISHMAREF  
SOLOMON  
STEBBINS  
ST. MICHAEL  
TELLER  
UNALAKLEET  
WALES  
WHITE MOUNTAIN



Brevig Mission Diomede Elim Gambell Golovin Koyuk Nome Saint Michael Savoonga Shaktoolik Stebbins Teller Unalakleet Wales White Mountain

February 6, 2018

The Honorable Representative Chris Tuck  
State Capitol Room 204  
Juneau, AK 99801

RE: HB233 Education Tax Credit Legislation

Dear Representative Tuck,

Norton Sound Economic Development Corporation (NSEDCE) supports extending the Education Tax Credit sunset from December 31, 2018 to January 1, 2025.

As many State and Federal funding streams have been eliminated in recent years, the Education Tax Credit has provided a mechanism for qualifying entities to seek funding through industry partners, including NSEDCE.

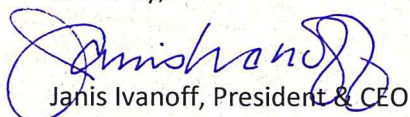
NSEDCE is the northernmost Community Development Quota (CDQ) entity representing 15 member communities in the Norton Sound/Bering Strait region. Supporting education and workforce development is at the heart of our mission to spur economic development for our communities and residents.

Since 2013, NSEDCE has utilized this important tax credit to support the Northwest Alaska Career and Technical Center (NACTEC) in its efforts to provide vocational and workforce training to high school students from throughout our region. Nome-based NACTEC provides educational and development opportunities that would otherwise be unavailable for many of the students living in the more remote communities in our region. More importantly, NACTEC gives these students the chance to learn about and see career opportunities that exist in their home region and beyond.

NACTEC's use of tax credit funding has not only benefitted its students, but ultimately our regional institutions that strive to hire our residents. Whether it is a fishery technician working in NSEDCE's research department or a vessel captain driving one of our fishery tender vessels, NACTEC graduates can be seen throughout the ranks of our company's workforce. The same holds true for other regional employers, be it a nurse working in the Nome hospital, a health aide serving a village clinic, or a home-grown teacher in one of our local schools.

NSEDCE strongly supports the extension of the Education Tax Credit program. NSEDCE is not alone in utilizing this effective mechanism for supporting our regional students and educational institutions. We have seen firsthand the benefits the program has provided for students, families and employers in our region.

Sincerely,

  
Janis Ivanoff, President & CEO

cc: Representative Neal Foster  
Representative Charisse Millet

*"NSEDCE will participate in the Bering Sea fisheries to provide economic development through education, employment, training and financial assistance to our member communities."*





## Comments SB116 Education Tax Credits

Council of  
**Alaska Producers**

February 5, 2018

Representative Chris Tuck  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Dear Representative Tuck:

The Council of Alaska Producers (CAP) is writing to support Senate Bill 116, "An Act relating to the insurance tax education credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education credit, the fisheries business education credit, and the fisheries resource landing tax education credit."

CAP is a non-profit trade association formed in 1992 to represent the interests of large metal mines and mine developmental projects in Alaska. CAP informs members on legislative and regulatory issues, supports and advances the mining industry, educates members, the media, and the general public on mining related issues, and promotes economic opportunity and environmentally sound mining practices.

CAP's members have welcomed the opportunity to partner with the State of Alaska and provide funding directly to Alaska's higher education projects and programs that support and enhance the mining industry. Between 2011 and 2017, mining companies in Alaska education tax credit program to invest \$19.6 million in programs such as:

- UAF Mining Engineering research endowment
- UAF Mining Engineering scholarship fund
- UAA Geology Scholarships
- Mining and Petroleum Training Services (MAPTS), UAF Cooperative Extension Services, Anchorage, Soldotna, Juneau
- UAS Pathways to Mining
- UAA Institute of Social and Economic Research
- Northwest Arctic Borough School District
- Angoon High School Vocational Technical program

MAPTS and the Pathways program provide educational opportunities and training that lead directly to good jobs in the industry. The importance of these educational and training programs is underscored by a survey of Alaska's mining workforce which revealed that there is

considerable aging of skilled employees; for example, 47.1 percent of mechanics, 51.1 percent of mining materials engineers and 65.4 percent of mining machine operators are 45 years of age or older. Faced with the challenges of attrition and aging within the current workforce, and competition from the global mining industry, the mining industry embarked on a workforce development planning process which resulted in the Alaska Mining Workforce Development Plan. <http://alaskaminers.org/mining-workforce-development-plan/>.

SB116 extends the education tax credit program so it will continue to promote private investment in higher education in our state, an essential component of realizing the objective of ensuring that Alaskans learn the skills needed to sustain and grow Alaska's mining industry. Thank you for sponsoring this bill. We hope that it will be scheduled soon for a hearing in the Labor and Commerce Committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Matthias', with a stylized flourish at the end.

Karen Matthias  
Executive Director

cc: Representative Harriet Drummond, Chair, House Education Committee