



**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.

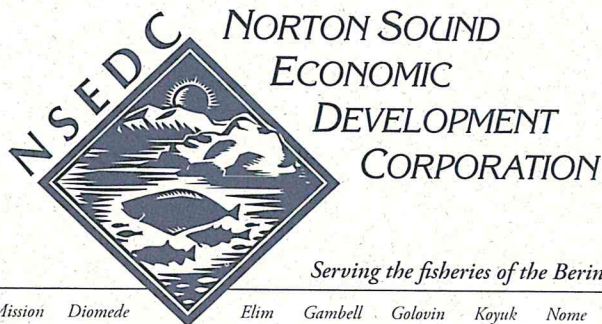
Sincerely,

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.

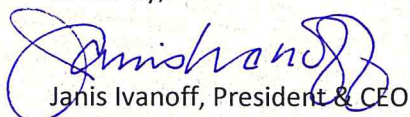
NSEDCE is the northernmost Community Development Quota (CDQ) entity representing 15 member communities in the Norton Sound/Bering Strait region. Supporting education and workforce development is at the heart of our mission to spur economic development for our communities and residents.

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





*Sitka ♦ Craig ♦ Valdez ♦ Naknek ♦ Metlakatla*

210 S. Harbor Dr. / P.O. Box 1129 Valdez, AK

Phone: 907-835-8910 Fax: 907-835-8913

February 12, 2018

The Honorable Chris Tuck  
State Capitol, Room 204  
Juneau, Alaska 99801

RE: Letter of Support for House Bill 233

Dear Representative Tuck:

Silver Bay Seafoods, LLC (Silver Bay, or SBS) is writing to support Alaska House Bill 233, "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."

SBS is a vertically integrated, primarily fishermen-owned processor of frozen salmon, herring, and other seafoods products for both domestic and export markets. Silver Bay began in 2007 as a single salmon processing facility in Sitka, Alaska, and has since grown into one of the largest seafoods companies in Alaska. Silver Bay has state of the art, high volume processing and freezing facilities throughout Alaska, currently operating in Sitka, Craig, Valdez, Naknek and Metlakatla. SBS is dependent upon a large and diverse workforce, the likes of which can and do receive their training through the University of Alaska Southeast's (UAS) School of Career Education, which includes the following programs of relevance to Silver Bay's operations: Construction Technology, Diesel Technology, Welding, and Fisheries Technology.

With regards to the lattermost program, industry funding made possible through education credits have resulted in increased training opportunities for Alaskan youth. For example, in fall of 2017 36 Alaskan high school students took UAS courses, thanks to financial assistance from the At-Sea Processors Association (APA) and Goldbelt Inc. APA previously assisted with a pilot UAS program in spring 2017, allowing 13 high school students to complete four credits of college coursework. Goldbelt Inc. has worked to engage Juneau-based Alaska Native students in the sciences, beginning with a summer 2017 oceanography learning experience and culminating with 22 students taking an iPad-based Introduction to Oceanography class for University of Alaska General Education credit. Altogether, in 2017 APA and Goldbelt Inc. helped over 50 high school students take on university-level coursework all over the state, from Kodiak, Juneau, and Sitka to Unalaska, Galena, and Petersburg.

I personally benefitted from similar financial assistance several years ago as a student in UAS's Fisheries Technology Program. With financial assistance made possible by donations from Icicle Seafoods, I completed an Undergraduate Certificate in Fisheries Technology before going on to complete graduate-level programs at Oregon State University.

Extension of the education tax credit program through House Bill 233 will continue to promote private investment in Alaskan higher education, which is essential to ensuring that Alaskans learn the skills needed to sustain and grow Alaska's commercial fishing industry. Our thanks to you for sponsoring this important bill.

Sincerely,

Tommy Sheridan  
Director of Government Affairs  
Silver Bay Seafoods  
Email: [tommy.sheridan@silverbayseafoods.com](mailto:tommy.sheridan@silverbayseafoods.com)  
Cell: (907) 738-7202



February 12, 2018

Representative Harriet Drummond, Chair  
House Education Committee  
State Capitol, Room 108  
Juneau, Alaska 99801

RE: HB 233 Education Tax Credits Sunset Extension

Dear Representative Drummond:

The At-sea Processors Association (APA) is writing today to express our support for House Bill 233 sponsored by Representative Chris Tuck. APA is a trade association representing six companies that own and operate 16 U.S. flagged catcher/processor vessels that participate principally in the federal Alaska pollock fishery.

HB 233 would extend the sunset date for education tax credits that incentivize the private sector partnerships with the State of Alaska and other institutions by investing in the education and training of Alaskans. Specifically, the current education tax credits encourage private businesses to make contributions to educational institutions and programs in Alaska, including the University of Alaska.

Since 2000, this program has allowed the members of APA to invest in programs ranging from undergraduate and graduate fellowships to research addressing current fishery management concerns to technical training for youth throughout the Norton Sound and Bering Strait Region.

Here are a few examples of the programs education tax credit funds support:

University of Alaska Fairbanks, College of Fisheries and Ocean Science

Established the Pollock Conservation Cooperative Research Center (PCCRC) which funds:  
The Ted Stevens Distinguished Professorship of Marine Policy  
Research Endowment  
Graduate Fellowships

University of Alaska Anchorage

Kodiak College – Developing pilot Seafood Processing Industry Mini-Academy

University of Alaska Southeast

Fisheries Technology Program-Exposing HS Students to Introductory College  
Fisheries Coursework through Dual-Enrollment.



Alaska Pacific University

Scholarships

Support for programs such as Fisheries, Aquatic Science and Technology Lab

Northwestern Alaska Career and Technical Center (NACTEC)

Support for vocational education training center in Nome

We believe it is important for the Legislature to extend the education tax credit to January 1, 2025 to continue to incentivize significant private sector investment to Alaskans training and education as well as supporting research improving understanding of our fishery resources.

Thank you for the opportunity to comment and please let us know if additional or more specific information would be helpful.

Sincerely,

A handwritten signature in black ink that reads "Stephanie D. Madsen". The signature is written in a cursive, flowing style.

Stephanie Madsen

Executive Director



# BRISTOL BAY REGIONAL CAREER AND TECHNICAL EDUCATION PROGRAM

*The School Districts of the Bristol Bay Region working together to enrich the lives  
of our students.*

King Salmon, Alaska 99613  
Phone (907) 246-4280 / 246-4225

February 2, 2018

Greetings Representative Edgmon and Staff,

With the legislative session underway, we thought we would touch base with you on **Alaska's Education Tax Credit Program that will be sun-setting on 12/31/18**. The future of our Bristol Bay Regional Career and Technical Education Program depends heavily on the possibility of donations in return for tax credit by regional corporations.

As far as Education Funding, it is no secret that we are all struggling for survival. The ability for private businesses to financially support the development and growth of this collaborative program is crucial to its survival. Anything you can do to extend Alaska's Educational Tax Credit will be much appreciated by our districts and our stakeholders.

As we look to the future, knowing the State's economic predicament, we see our partnership as one thing that will help us weather the storm. We are all interested in taking the next step and looking for ways to become more efficient via collaboration. We realize that funding is tight, but feel that this could be pitched as an opportunity to continue to allow the business sector to invest in public education.

To close, we are thankful for your leadership and continued support of education. As always, we appreciate all that you do for us down in Juneau. We look forward to catching up this spring.

Attached are resolutions of support from our school boards.

Respectfully,



Bill Hill  
Superintendent



Ty Mase  
Superintendent



Dave Piazza  
Superintendent



SOUTHWEST REGION SCHOOL BOARD

RESOLUTION NO. 18-01

A RESOLUTION SUPPORTING THE CONTINUATION OF EDUCATIONAL TAX CREDITS

WHEREAS, the Southwest Region School District (SWRSD) is a Regional Education Attendance Area (REAA) that continues to seek additional funding from outside granting agencies to improve the quantity and quality of educational programs available to students; and

WHEREAS, the Alaska's Education Tax Credit program was first established in 1987 by the Legislature to encourage private businesses to make charitable contributions to support schools in Alaska; and

WHEREAS, the Southwest Region School District has successfully partnered with the Bristol Bay Borough School District and the Lake and Peninsula Borough School District to establish the Bristol Bay Regional Career and Technical Education (BBRCTE) project; and

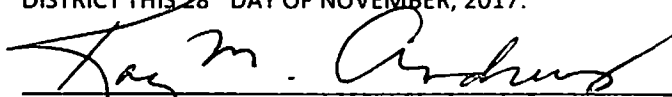
WHEREAS, the BBRCTE project provides students with hands-on, real-world, and career-pathway-focused courses that lead to students' receiving industry-standard certificates; and

WHEREAS, private businesses could financially support the development and growth of the career pathways and course offerings available to students through the BBRCTE program; and

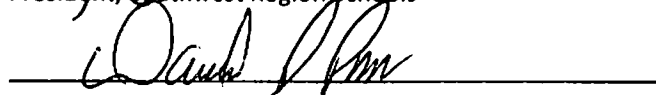
WHEREAS, additional Career and Technical Education instruction for secondary-level students will ensure that our youth are ready to meet the needs and demands necessary for a strong Alaskan Work Force.

NOW, THEREFORE, BE IT RESOLVED that the Southwest Region School District urges the Legislature to extend the Educational Tax Credits available to businesses who provide funding to public schools as an important long-term investment in Alaska's future workforce and citizenry.

PASSED, APPROVED AND ADOPTED BY THE SCHOOL BOARD OF THE SOUTHWEST REGION SCHOOL DISTRICT THIS 28<sup>th</sup> DAY OF NOVEMBER, 2017:

  
\_\_\_\_\_  
President, Southwest Region Schools

11-28-17  
Date

  
\_\_\_\_\_  
Superintendent, Southwest Region Schools

11-28-17  
Date



**THE BRISTOL BAY BOROUGH SCHOOL DISTRICT**

#2 School Road North

P.O. Box 169

Naknek, Alaska 99633

Phone: (907) 246-4225/Fax: (907) 246-6875



**BRISTOL BAY BOROUGH SCHOOL BOARD**

**RESOLUTION NO. 18-01**

**A RESOLUTION SUPPORTING THE CONTINUATION OF EDUCATIONAL TAX CREDITS**

WHEREAS, the Bristol Bay Borough School District (BBBSD) is the first Borough School District in the state of Alaska and we continue to seek additional funding from outside granting agencies to improve the quantity and quality of educational programs available to students; and

WHEREAS, the Alaska's Education Tax Credit program was first established in 1987 by the Legislature to encourage private businesses to make charitable contributions to support schools in Alaska; and

WHEREAS, the Bristol Bay Borough School District has successfully partnered with the Southwest Region School District and the Lake and Peninsula Borough School District to establish the Bristol Bay Regional Career and Technical Education (BBRCTE) project; and

WHEREAS, the BBRCTE project provides students with hands-on, real-world, and career-pathway-focused courses that lead to students' receiving industry-standard certificates; and

WHEREAS, private businesses could financially support the development and growth of the career pathways and course offerings available to students through the BBRCTE program; and

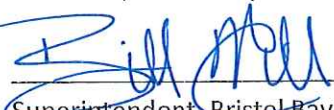
WHEREAS, additional Career and Technical Education instruction for secondary-level students will ensure that our youth are ready to meet the needs and demands necessary for a strong Alaskan Work Force.

NOW, THEREFORE, BE IT RESOLVED that the Bristol Bay Borough School District urges the Legislature to extend the Educational Tax Credits available to businesses who provide funding to public schools as an important long-term investment in Alaska's future workforce and citizenry.

PASSED, APPROVED AND ADOPTED BY THE SCHOOL BOARD OF THE BRISTOL BAY BOROUGH SCHOOL DISTRICT THIS 12<sup>th</sup> DAY OF DECEMBER, 2017:

  
\_\_\_\_\_  
President, Bristol Bay Borough School District

12/12/17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Superintendent, Bristol Bay Borough School District

12-12-17  
\_\_\_\_\_  
Date





**THE LAKE AND PENINSULA SCHOOL DISTRICT**

101 Jensen Drive  
P.O. Box 498  
King Salmon, Alaska 99613  
Phone (907) 246-4280 / Fax (907) 246-4473



**LAKE AND PENINSULA SCHOOL BOARD  
RESOLUTION NO. 18-03  
A RESOLUTION SUPPORTING THE CONTINUATION OF EDUCATIONAL TAX CREDITS**

WHEREAS, the Lake and Peninsula School District (LPSD) continues to seek additional funding from outside granting agencies to improve the quantity and quality of educational programs available to students; and

WHEREAS, the Alaska's Education Tax Credit program was first established in 1987 by the Legislature to encourage private businesses to make charitable contributions to support schools in Alaska; and

WHEREAS, the Lake and Peninsula School District has successfully partnered with the Bristol Bay Borough School District and the Southwest Region School District to establish the Bristol Bay Regional Career and Technical Education (BBRCTE) project; and

WHEREAS, the BBRCTE project provides students with hands-on, real-world, and career-pathway-focused courses that lead to students' receiving industry-standard certificates; and

WHEREAS, private businesses could financially support the development and growth of the career pathways and course offerings available to students through the BBRCTE program; and

WHEREAS, additional Career and Technical Education instruction for secondary-level students will ensure that our youth are ready to meet the needs and demands necessary for a strong Alaskan Work Force.

NOW, THEREFORE, BE IT RESOLVED that the Lake and Peninsula School District urges the Legislature to extend the Educational Tax Credits available to businesses who provide funding to public schools as an important long-term investment in Alaska's future workforce and citizenry.

PASSED, APPROVED AND ADOPTED BY THE SCHOOL BOARD OF THE LAKE AND PENINSULA SCHOOL DISTRICT THIS 6<sup>th</sup> DAY OF DECEMBER, 2017:

A handwritten signature in dark ink, appearing to read "Linda F. Smith", written over a horizontal line.

President, Lake and Peninsula School Board

2/8/18

Date

A handwritten signature in dark ink, appearing to read "D. J. Smith", written over a horizontal line.

Superintendent, Lake and Peninsula School District

2-8-18

Date

James R. Johnsen, Ed.D.

President

Butrovich Bldg, Ste. 202, 2025 Yukon Drive  
P.O. Box 755000, Fairbanks, AK 99775-5000  
Phone: (907) 450-8000; Fax: (907) 450-8012  
Email: [ua.president@alaska.edu](mailto:ua.president@alaska.edu)  
[www.alaska.edu](http://www.alaska.edu)



UNIVERSITY  
of ALASKA  
*Many Traditions One Alaska*

February 14, 2018

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

Re: House Bill 233, Education Tax Credit Extension

Dear Representative Tuck,

The University of Alaska strongly endorses continuation of the Alaska Education Tax Credit, which sunsets at the end of 2018. The Alaska Education Tax Credit has benefitted the university in a myriad of ways including attracting Alaskans to the university through funded scholarships and supporting critical industries through world class research programs. Equally as important, it directly influences the decision of many Alaska businesses to support the university and has generated more than \$12.2 million in private contributions over the past several years. The tax credit program directly impacts many of our programs, including:

- Workforce Development
- Centers and Institutes
- Scholarships
- Facilities
- Endowments
- Fellowships/Internships
- Chairs/Professorships

This program is a critical component as the university manages its way through these challenging times and works to meet the needs of the state and develop the workforce of tomorrow. By endorsing and extending the program, you support the creation of more productive relationships between the university and partners in the private sector.

The tax credit program has allowed the university to effectively collaborate with many industries critical to the state's economy including mining, seafood, tourism and banking. For example, the

participation of Alaska's mining companies bolsters our research and scholarships, and helps create jobs for Alaska's growing mining industry.

Likewise, the seafood industry has contributed support to student fellowships and to fund sustainable oceans and fisheries research. These programs are critical to attracting more college-going young adults from our high schools and to increase our enrollment – achievements we can all agree are extremely important.

I ask for your timely consideration of HB 233 and ask you to support the extension of this very impactful program.

Sincerely,

A handwritten signature in black ink that reads "James R. Johnsen". The signature is written in a cursive, flowing style.

Jim Johnsen





February 14, 2018

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

Subject: House Bill 233, Education Tax Credit Extension

Dear Representative Tuck:

I write this letter to encourage continuation of the Education Tax Credit on behalf of the University of Alaska Foundation and as a third generation Alaskan. Education is viewed as a way to better one's situation in times of challenge and is fundamental to Alaska's status as a land of opportunity. In the Last Frontier each generation believes the next will be able to surpass its accomplishments.

The University of Alaska and the University of Alaska Foundation have received a substantial benefit as a result of the Education Tax Credit. According to the Alaska Department of Revenue, contributions of more than \$12 million have been received over the past few years alone. These numbers are significant. What's more important, though, is the benefit that accrues to the state as a result of this small reduction in tax revenue.

*Companies and their employees value an Alaskan education.* Each organization that donates to the University of Alaska through the tax credit becomes a part of the UA family. Employees are invited to see the tremendous impact taking place as a result of their generosity. They meet scholarship recipients and interns whose futures are brighter because of their company's contributions. In short, the companies and their employees are woven into the fabric of Alaska as they learn about the significance of their contributions. Alaska's future will be richer because companies, their employees, and their families participate in Alaska's economy.

*Companies and their employees contribute.* Charitable giving engenders pride in employees of corporations that choose to take advantage of the Education Tax Credit. Employees and their families take pride in the place they call home. When they see investment in the community by their companies, they and their children are more likely to stay rooted in Alaska. They contribute to the economy financially and work to build a resilient social climate that attracts more enterprises.

*Companies help inform the University through their investments.* The Education Tax Credit enables businesses to partner with educational institutions for research and innovation projects. They provide input through investment in scholarships and programs that address perceived future needs. Mining, Engineering, and Fisheries are examples of disciplines that have benefitted from industry interest, demonstrated through donations.

According to the Department of Revenue, for FY16 the amount of state revenue offset by the Education Tax Credit amounts to less than 2.8% of the total tax liability owed. Foregoing this very small amount of revenue encourages companies and their employees to develop long-term ties to Alaska. Their future contributions to the state economy will far outweigh the impact of the Education Tax Credit.

In short, continuation of the Education Tax Credit is a wise choice for the future of Alaska.

Sincerely,



Susan Behlke Foley  
President, University of Alaska Foundation



# ALASKA PACIFIC UNIVERSITY

January 29, 2018

Alaska State Capitol  
Juneau, Alaska 99801

Dear Honorable Committee Members,

On behalf of the Alaska Pacific University, I am writing about HB233 and SB116, two companion legislative measures introduced in both the House and Senate to extend Alaska's Education Tax Credit program to January 1, 2025. The Education Tax Credit program is a mutually beneficial partnership for private industry, educational institutions, as well as the Legislature.

As you are aware, Alaska's Education Tax Credit program was first established in 1987 by the Legislature to encourage private businesses to make charitable contributions to support schools in Alaska. The program assists private industry by creating opportunities to donate to educational facilities and programs and in return businesses receive credits to offset their tax liabilities. In the case of Alaska Pacific University, the private industry donations also have reciprocal positive effects on workforce development and the business climate in Alaska. For example, the Fisheries, Aquatic Science, and Technology (FAST) Laboratory at Alaska Pacific University uses Education Tax Credit funds to train fisheries scientists for the Alaskan workforce; conduct applied research on topics of scientific, conservation, and management interest to the Fishing Industry; and assist State and Federal fisheries management agencies in fulfilling their mandates.

Educational institutions receive the benefit of these donations to help improve their facilities, programs, and expand educational opportunities for Alaskans. For instance, the FAST Laboratory uses Education Tax Credit funds to provide experiential learning opportunities to graduate and undergraduate students by participating in applied, community-based research projects throughout Alaska. The FAST Lab leverages the resources and partnerships generated by the Education Tax Credit to support Alaska rural and tribal communities seeking to better understand their fisheries and to support the development of engaging and applied curriculum for use in the public school system.



# ALASKA PACIFIC UNIVERSITY

January 29, 2018



Without these funds, such applied educational opportunities, and the consequent benefits to Alaskan communities, would be financially prohibitive and unavailable to students.

These contributions and benefits also assist the legislature by reducing the amount of fiscal appropriations that may be needed to support educational institutions and academic programs and natural resource management agencies in our State.

The Education Tax Credit program is a win-win for the educational institutions, children, and businesses in Alaska and it is critically important that we extend this very important program. The current program is due to sunset on December 31, 2018, and HB233 and SB116 will extend the program through January 1, 2025.

We respectfully request that you support HB233 and SB116 by passing the bills in this legislative session. The Education Tax Credit program has helped many young Alaskans prepare for life and their future in the job market, while at the same time providing our State with a stable, qualified and well-prepared work force. Research and education in Alaskan fisheries, marine biology, and environmental science programs are critical to maintaining a healthy state economy.

We thank you in advance for your support!

Sincerely,

A handwritten signature in black ink, appearing to read "R.P.d", with a long horizontal stroke extending to the right.

Robert Onders, M.D., J.D., M.P.A.  
Interim President  
Alaska Pacific University

February 5, 2018

Alaska State Capitol Juneau, Alaska 99801

Dear Honorable Committee Members,

I am writing about HB233 and SB116, two companion legislative measures introduced in the House and Senate to extend Alaska's Education Tax Credit (ETC) program to January 1, 2025. This program was first established by the Legislature in 1987 to encourage private businesses to make charitable contributions to support schools in Alaska. This program produces world-class educational and employment opportunities for Alaska's students, promotes robust, synergistic partnerships between industry and education, and expands research capacity in strategically important topics.

I was lucky enough to be born and raised near Homer, Alaska. I commercially fished salmon in Prince William Sound and Upper Cook Inlet, served aboard an Alaska Department of Fish & Game research vessel, and captained an oil spill response vessel in the Beaufort Sea. Now I have the privilege of serving on the faculty of Alaska Pacific University, where I direct the Fisheries, Aquatic Science, & Technology (FAST) Laboratory. In this role, I am privileged to work with a team of excellent scientists, industry collaborators and highly motivated students.

The ETC program provides Alaska's students world-class education and research opportunities that produce a win-win situation for our educational institutions, students, and industries. As a professor, the ETC program allows me to advance research and educational outcomes in Alaska in four strategic ways:

- 1) *Recruit and support excellent students*- Natural resource sciences are competitive fields. The ETC funds provide tuition and project support to recruit and retain excellent undergraduate and graduate students.
- 2) *Invest in strategically important research areas*- The ETC program builds a critical link between academia and industry resulting in the development of applied research projects which directly address important research priorities for Alaska and lead to employment opportunities for graduates.

3) *Develop robust synergistic partnerships*- State, federal, industrial and private entities are facing rapidly evolving natural resource management challenges, including substantial budget uncertainty. The ETC provides a stable source of funding which triggers joint investments from state and federal agencies, non-governmental conservation organizations, and international science organizations. These investments lead to powerful collaborative networks that are resilient to variability in state and federal funding.

4) *Expand research capacity*- ETC funds create research and education opportunities which attract world-class scientists and educators to APU. Our students are working with top-tier researchers and educators from the University of Massachusetts, Northeastern University, University of Ulster (Northern Ireland), the Smithsonian Environmental Research Center, Florida International University, Northeastern University, Cornell University, National Oceanic & Atmospheric Administration, United States Geological Survey, International Pacific Halibut Commission, North Pacific Fisheries Management Council, United States Fish & Wildlife Service, and AK Department of Fish & Game.

I have attached a list highlighting recent education and research outcomes produced by the ETC program at Alaska Pacific University. The ETC program has served to strengthen APU and Alaska's prominence in the natural resources fields of science here at home, nationally, and abroad in part through my own scientific and educational network. I am a graduate of Homer high school, I earned a B.Sc. in Wildlife and Fisheries Science from Texas A&M University, and a M.Sc. and a Ph.D. in Fisheries Oceanography from the University of Massachusetts. I am an Associate Professor at Alaska Pacific University, an Honorary Fellow at Ulster University in Northern Ireland, UK, and an Adjunct Professor at the University of Massachusetts School of Marine Sciences. I serve on the Scientific and Statistical Committee of the North Pacific Fisheries Management Council, the Working Group on Fishing Technology and Fish Behavior of International Council for Exploration of the Sea / Food and Agriculture Organization, and the North Pacific Research Board's Science Panel.

The ETC program is working, and I respectfully request that you support HB233 and SB116 by passing the bills in this legislative session.

Sincerely,



Brad Harris, Ph.D.

Director - Fisheries Aquatic Science & Technology (FAST) Laboratory  
Associate Professor - Alaska Pacific University

## **Education Tax Credit Program Outcomes (2005 to Present)**

### **– Alaska Pacific University –**

- *43 current Alaska Pacific University graduate students and graduate program alumni, all supported in by Education Tax Credit funds*
  - Graduate students have come from the following Alaska communities:
    - Homer
    - Dillingham
    - Anchorage
    - Kiana
    - Fairbanks
  - Graduate students and alumni currently work at the following businesses and agencies in Alaska or directly supporting Alaska:
    - US Geological Survey (USGS)
    - National Oceanic and Atmospheric Administration (NOAA: Fisheries Habitat Conservation Division)
    - US Fish and Wildlife Service (USFWS; Office of Subsistence Management; Fisheries Branch)
    - Alaska Department of Fish and Game (ADFG; Commercial, Sportfish, and Wildlife Divisions)
    - University of Alaska Anchorage, Environment and Natural Resource Institute
    - Alaska Seafood Cooperative
    - Tyonek Tribal Conservation District
    - Homer Sport Charter Halibut Fleet
    - Alaska Resource Education
    - Center for Alaskan Coastal Studies
    - Alaska Marine Conservation Council
    - Fairweather Science
    - United Research Services Corporation
    - Alien Species Control, LLC
- *60 undergraduate students with direct Education Tax Credit support have graduated from or are currently enrolled at Alaska Pacific University*
  - Undergraduate students have come from the following Alaska communities
    - Kodiak
    - Anchorage
    - Wasilla
    - Big Lake
  - Undergraduate students and alumni work at the following businesses and agencies in Alaska
    - Alaska Department of Fish and Game (Sportfish and Commercial Fish Divisions)
    - TechSea Inc.
    - US Coast Guard
    - Alaska Department of Environmental Conservation
    - SGS North America Inc.
    - The Alaska Zoo



- *Projects/ opportunities made possible by Education Tax Credit funded collaborations*
  - North Pacific Essential Fish Habitat - fishing effects model (NOAA Habitat Conservation Division)
  - Impacts of barriers on juvenile Coho movements in Big Lake watershed (USFWS)
  - Quantifying seafloor contact of commercial fishing gear (NOAA Resource Assessment and Conservation Engineering)
  - Effects of Gold Mining on Norton Sound Red King Crab (Norton Sound Economic Development Corp, ADFG, NOAA Fisheries)
  - Student volunteers on NOAA research vessels
  - Improved understanding of Ichthyophonus infection in halibut (USGS)
  - Halibut Size-at-Age spatial-temporal assessment (International Pacific Halibut Commission (IPHC))
  - Halibut stress hormone research (IPHC)
  - Halibut discard mortality tagging studies (IPHC and FishNext Research)
  - Halibut spawning and maturity studies (IPHC)
  - English Bay Lakes salmon research (Community of Nanwalek, Chugachmiut)
  - Invasive species in ballast water (Smithsonian Institute)
  - North Pacific Research Board education curriculum (deployed in the ASD, currently in Bethel, AK)
  - Weathervane scallop assessments using CamSled (ADFG)
  - Pacific razor clam abundance surveys (ADFG)
  - Anchor and Ninilchik salmon weir installations (ADFG)
  - Student volunteers on ADFG research vessels
  - Improved methods for triploid induction (ADFG)
  - In-stream salmon movements on Nushagak River (ADFG)
  - Rockfish habitat mapping (ADFG)
  - Improved understanding of chinook smolt diet and condition (ADFG)
  - Weathervane scallop shell boring worm infection analysis (ADFG)
  - Pacific razor clam habitat and growth studies (ADFG)
  - Assessment of red king crab Savings Area efficacy (AK Seafood Cooperative)
  - Anchorage School District (ASD) Gifted Mentorship Program
  - Outreach programs in ASD Classrooms
  - Outreach programs at St. Mary's preschool
  - Outreach programs with Girl Scouts of America
  - National Ocean Science Bowl Judging Team



## Northwestern Alaska Career and Technical Center

Douglas J. Walrath, Ph.D.  
P.O. Box 131  
Nome, AK 99762  
Tel: 907-443-3507  
Fax: 907-443-7076  
<http://www.nacteonline.org>

January 29, 2018

To: The Honorable Representative Chris Tuck

### RE: HB233 Education Tax Credits Legislation

Dear Representative Tuck,

The Northwestern Alaska Career and Technical Center (NACTEC) 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. 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,

Douglas J. Walrath, Director

Cc:

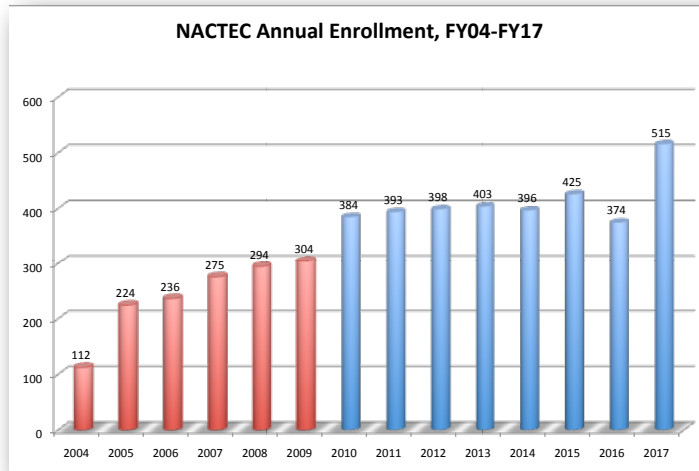
Representative Neal Foster  
Representative Charisse Millet



# Northwestern Alaska Career and Technical Center

## EDUCATION TAX CREDIT

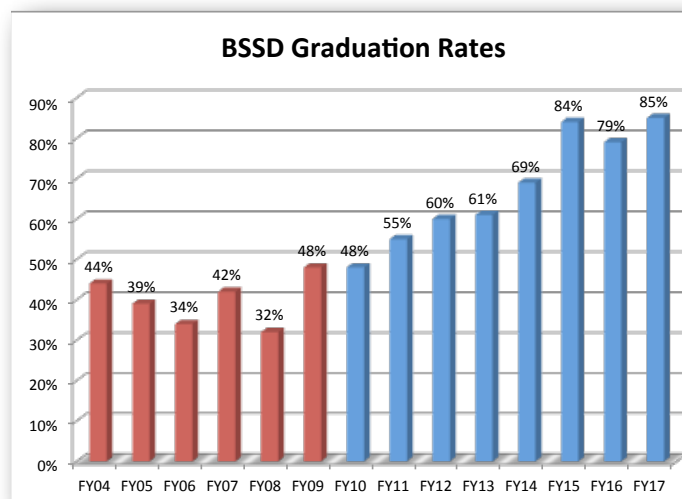
The Alaska Education Tax Credit has become increasingly important for NACTEC, as industry partners now support 1/3 of the annual operating budget. *The Education Tax Credit has contributed to a significant increase with students receiving vocational training the past 8 years.* The top bar graphs displays an average student enrollment of 241 students between 2004-2009 (in red). Then, coinciding with the first tax credit contributions to NACTEC in FY10, student enrollment grows by 66% to 400 students/year (FY10-FY15). In the most recent two years enrollment grew another 10% to 445 students/year (FY16-FY17 in blue).



## GRADUATION IMPACTS

The graph below depicts the trend in Bering Strait School District (BSSD), *which represents 90% of NACTEC's student population*, growing in relation to the student enrollment gains (above). *Since FY10 NACTEC has averaged \$378K in tax credit contributions per year.*

A 2016 review of over 1,700 BSSD students, revealed that: 80% of all dropouts between FY04-FY15 did not attend a single NACTEC program; while an



average of 83% of graduates in FY14-FY16 attended one or more NACTEC high school training programs. *Completing NACTEC programs is keeping rural students in school and on a path to graduation.*

## REPORT PREPARATION

This 2018 legislative report was developed by NACTEC Director, Douglas J. Walrath, Ph.D. with the purpose of identifying legislation that works in N.W. Alaska and in need of a sunset extension.

The Education Tax Credit, since becoming available at the secondary vocational training level in FY10, has increased both the quantity and quality of NACTEC training programs.

In the six years before Education Tax Credit availability at NACTEC, in FY04-FY09, enrollment averaged 241 students/year. Student enrollment **grew by 66%**, following tax credit availability, averaging 400 students/year in FY10-FY15.

Graduation rates have increased from a five year average of **39% in FY05-FY09** for Bering Strait School District students to **76% in FY13-FY17**. As could be expected, the inverse is occurring with high school dropouts. Dropouts have decreased from an average of **77 per year (FY07-FY09) to 27 per year (FY15-FY17)**, a decrease of **65%!**

With tax credit partners supporting 30% of NACTEC's budget, a sunset extension is our top 2018 priority.

-Douglas J. Walrath, Ph.D.

[dwalrath@bssd.org](mailto:dwalrath@bssd.org)

(907) 443-3507

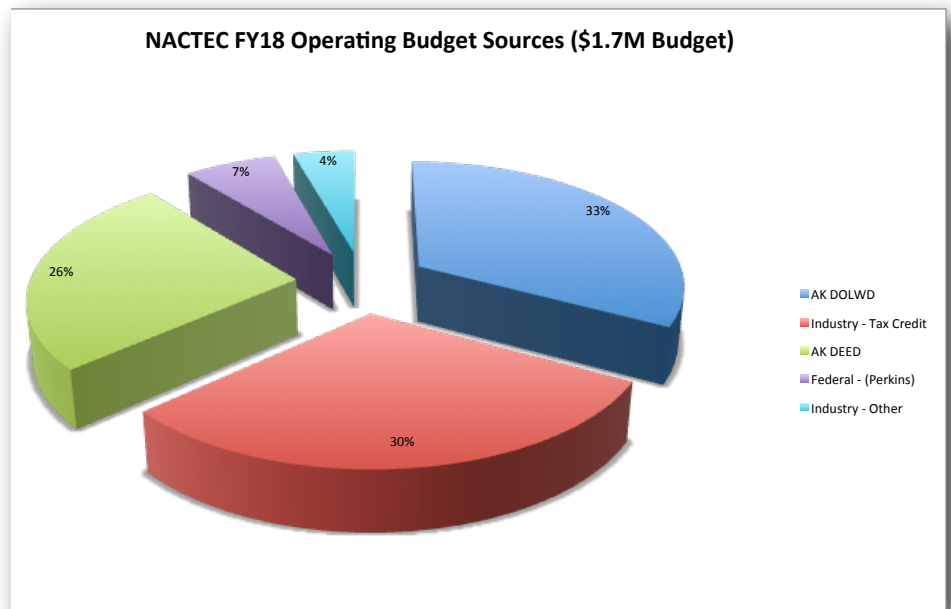




## Northwestern Alaska Career and Technical Center

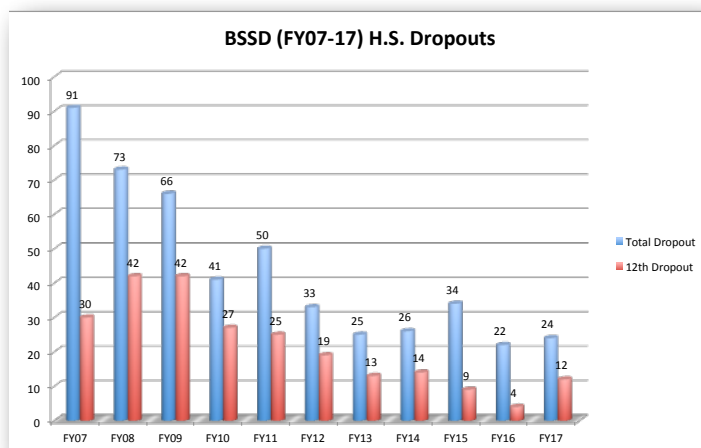
### INDUSTRY PARTNER'S EDUCATION INVESTMENT VIA TAX CREDITS

The graph below depicts the sources of funding supporting NACTEC's \$1.7M FY18 operating budget. The largest source of funding in FY18 comes from 11 industry partners, *with 88% of industry partner funding deriving from the Alaska Education Tax Credit*. Pictured below 30% of industry funding is tax credit, and 4% are "Other" industry partner contributions. Department of Labor funding at 33% (TVEP & Construction Academy) and 26% for Department of Education (Residential Funding) are equally important sources supporting short-term, residential training. Carl D. Perkins federal funding from school district partners at Bering Strait School District and Nome Public Schools represents 7%. *In light of Alaska's budget challenges, industry partnerships will remain increasingly important in the future. Education Tax Credit funding has contributed 31% of NACTEC's annual operating budget between FY10 - FY18.*



### THE COST OF DROPPING OUT, \$292,000 - NORTHEASTERN UNIVERSITY STUDY (2009)

Bering Strait School District's dropout rate has decreased by 65% between FY07-FY09 (prior to tax credit) compared with FY15-FY17. 12th grade students,



averaging 38 dropouts in FY07-FY09, down to 9 dropouts in FY15-FY17 have decreased by 76%. Using a conservative and somewhat outdated (2009) estimate of \$292,000 as the cost of a high school dropout, this dropout rate decrease results in **a net savings of \$8.5M annually, per senior class alone in BSSD!**

The Education Tax Credit, with its 31 December 2018 sunset, is NACTEC's top priority for a ten-year sunset extension. This program has led to the development of quality vocational training programs, aligning with Alaska's priority industries. An extension provides an opportunity for future industry partner investment in education. A win-win!





NACTEC Tax Credit Donations FY10-18

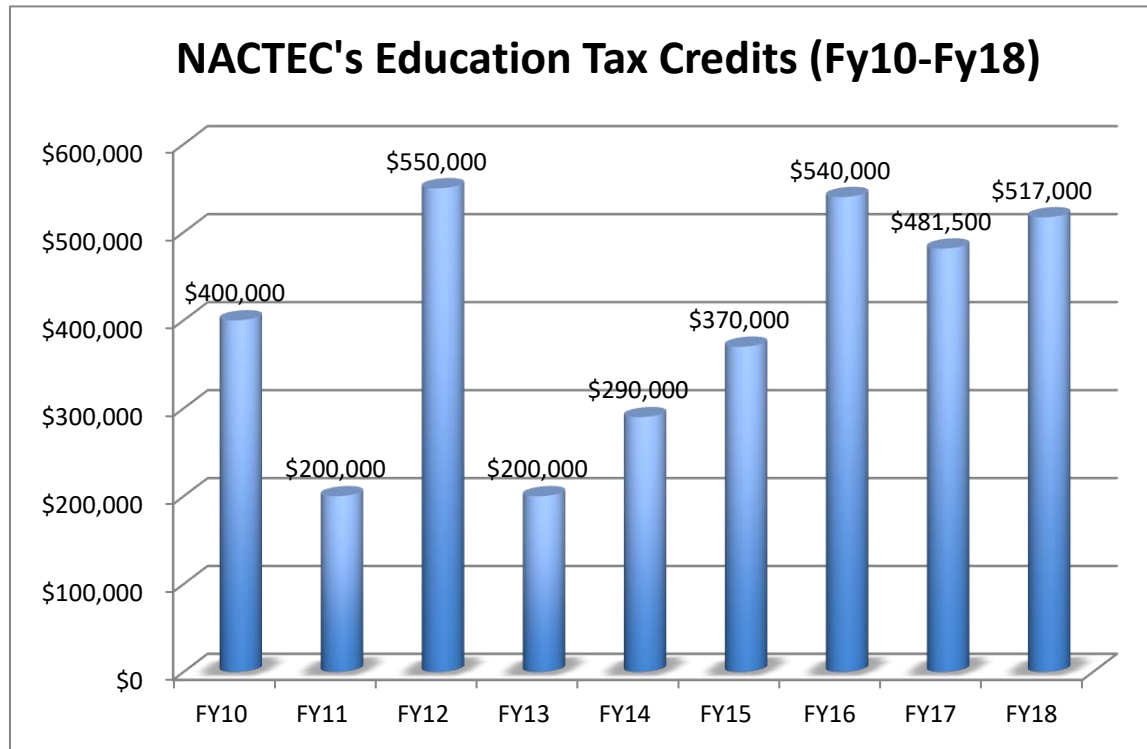
<b>Industry Partner: Tax Credit Revenue</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
<b>Bering Straits Native Corporation</b>	\$200,000	\$200,000	\$300,000	\$100,000	\$100,000	\$100,000
<b>Era Alaska</b>	0	0	\$150,000	0	0	0
<b><i>Pollock Conservation Cooperative</i></b>	0	0	0	0	0	0
<b>1. American Seafoods</b>	0	0	\$23,888	\$24,000	\$24,000	\$24,000
<b>2. Arctic Storm/Fjord</b>	0	0	\$4,444	\$4,000	\$4,000	\$4,000
<b>3. Glacier Fish Company</b>	0	0	\$23,889	\$24,000	\$24,000	\$24,000
<b>4. Starbound LLC</b>	0	0	\$23,889	\$24,000	\$24,000	\$24,000
<b>5. Trident Seafoods</b>	0	0	\$23,890	\$24,000	\$24,000	\$24,000
<b>Norton Sound Economic Development Corp.</b>	\$200,000	0	\$0	\$0	\$90,000	\$170,000
<b>Saltchuk Partners</b>	\$0	0	0	0	0	0
<b>Alaska National Insurance Company</b>						
	<b>\$400,000</b>	<b>\$200,000</b>	<b>\$550,000</b>	<b>\$200,000</b>	<b>\$290,000</b>	<b>\$370,000</b>
 <b>Industry Partners: Non-tax credit revenue</b>						
<b>Shell Exploration</b>	0	0	0	0	10,000	25,000
<b>Wells Fargo</b>	0	0	0	0	0	30,000
<b>Alaska Airlines</b>	0	0	0	0	0	10,000
<b>ConocoPhillips</b>	0	0	0	0	0	0
<b>Norton Sound Fund</b>	0	15,000	39,200	160,000	7,637	13,722
<b>Graphite One Resources</b>	0	0	0	0	0	0
<b>Sitnasuak Native Corporation</b>	0	0	0	0	0	0
<b>USI Kibble and Prentice</b>	0	0	0	0	0	0
<b>Arctic Native Brotherhood Charitable Trust</b>						

NACTEC Tax Credit Donations FY10-18

<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	
\$250,000	\$155,000	\$125,000	\$1,530,000
0	0	0	\$150,000
0	0	0	\$0
\$25,000	\$25,000	\$28,000	\$173,888
\$0	\$0	\$0	\$16,444
\$25,000	\$25,000	\$28,000	\$173,889
\$25,000	\$25,000	\$28,000	\$173,889
\$25,000	\$25,000	\$28,000	\$173,890
\$190,000	\$196,500	\$250,000	\$1,096,500
\$20,000	\$20,000	\$20,000	\$60,000
	\$10,000	\$10,000	
<b>\$540,000</b>	<b>\$481,500</b>	<b>\$517,000</b>	<b>\$3,488,500</b>
25,000	0	0	\$60,000
15,000	25,000	25,000	\$95,000
0	0	0	\$10,000
0	5,000	0	\$5,000
65,151	88,000		\$388,710
0	2,500	0	\$2,500
0	\$24,000	0	\$24,000
0	\$2,500	0	\$2,500
		\$2,714.00	\$2,714
			<b>\$590,424</b>

## NACTEC Tax Credit Donations FY10-18

FY10	\$400,000
FY11	\$200,000
FY12	\$550,000
FY13	\$200,000
FY14	\$290,000
FY15	\$370,000
FY16	\$540,000
FY17	\$481,500
FY18	\$517,000





P.O. Box 145, Delta Junction, AK 99737, USA  
3204 International Street, Fairbanks, AK 99701, USA

Tel: +1 907 895 2841  
Fax: +1 907 895 2866

Senator John Coghill  
Subject; SB116 Education Tax Credits

February 6, 2018

Senator Coghill,

I am in favor of SB 166, Extension of State of Alaska Education Tax credits and the current level credit. As General Manager for the Pogo mine and a longtime resident of Alaska I believe it is very important to keep this tax credit active. Providing support to help educate our youth is important on a personal and company level.

Between 2011 and 2017 Pogo has utilized the tax credit supporting Alaska's education efforts with over 3.5 million dollars. Without the tax credit and its current levels funding could be impacted.

Continuing the education tax credit will help promote funding both private and corporate.

Thank You for supporting this effort.

Respectfully

Chris Kennedy





March 1, 2018

House Finance Committee  
Senate Finance Committee

**RE: Support SB 116 and HB 233 – Extension of the Education Tax Credits**

Dear House and Senate Finance Committee Members,

The Greater Fairbanks Chamber of Commerce supports SB 116 and HB 233, to extend the effective date for Alaska's Education Tax Credits program, from the end of 2018 to January 1, 2025, which helps to ensure the tax credit in place today remains in effect.

The Education Tax Credit is a steadily growing program that represents \$5 million to \$7 million dollars given annually in business contributions to Alaska's statewide education system. This program is a win/win scenario for business and for the workforce. Businesses can direct funding to educational and training programs that align with company values and the specific skills that are in demand in that industry. In turn, the workforce benefits from the robust educational and training options and increased access to quality jobs. This encourages the best and brightest to stay in-state after completing post-secondary programs. Companies can impact the development of a skilled workforce by investing in the programs and educational institutions that will grow the talent needed for the next generation of workers.

Historically, a number of companies have used the Education Tax Credit program to support educational institutions and programs. Specifically, institutions benefit from diversifying revenue sources, including increased investment from the private sector. Funding for Alaska's collective education system is the key to developing, growing, and retaining the future workforce within the state. This legislation will ensure companies can continue to invest in Alaska's education system, including K-12 and the University of Alaska.

The Greater Fairbanks Chamber of Commerce represents over 700 business members throughout Interior Alaska. We work to advocate for the best business environment, promote economic strength and growth for Interior Alaska, and to develop the resources and networks enterprising people use to share knowledge.

Sincerely,

Marisa Sharrah  
President & CEO

Tiffany Van Horn  
Board Chair

Cc: Representative Chris Tuck and Senator John Coghill

EXECUTIVE PARTNERS

DIAMOND

Alaska Airlines  
ExxonMobil  
Fairbanks Memorial Hospital  
Lockheed Martin  
Mt. McKinley Bank  
Ravn Alaska  
Vivamore Companies

PLATINUM

Alyeska Pipeline Service Co.  
ConocoPhillips  
Denali State Bank  
Doyon, Limited  
Fred Meyer Stores  
GCI  
Golden Heart Utilities  
Kinross Fort Knox Mine

GOLD

Alaska Communications  
BP Exploration  
Carlson Center  
Design Alaska  
Doyon Utilities LLC  
First National Bank Alaska  
MAC Federal Credit Union  
Sumitomo Metal Mining Pogo LLC  
TOTE Maritime Alaska  
Usibelli Coal Mine  
WAL-MART Stores, Inc.  
Wells Fargo Bank Alaska  
Westmark Fairbanks Hotel &  
Fairbanks Princess Riverside Lodge

SILVER

Alaska USA  
Alaska Railroad  
Caelus Energy Alaska  
Everts Air Cargo, Everts Air AK  
Exclusive Paving/University Redi-Mix  
Fairbanks Daily News-Miner  
Fairbanks Natural Gas  
Flowline Alaska  
Gene's Chrysler, Jeep & Dodge  
Golden Valley Electric Association  
Hale & Associates, Inc.  
Hilcorp Alaska, LLC  
JL Properties, Inc.  
Key Bank  
Lynden  
Matson Alaska  
Northrim Bank  
Personnel Plus  
Sam's Club  
Seekins Ford Lincoln  
Sourdough Fuel  
Spirit of Alaska Federal Credit Union  
State Farm Insurance:  
-Tammy Randolph, Agent  
-Ed Randolph, Agent  
Tanana Valley Clinic  
TDL Staffing  
Tower Hill Mines-Livengood Gold Project  
University of Alaska Fairbanks  
Verizon Wireless  
Yukon Title Company

ADVOCATE. PROMOTE. DEVELOP.

100 Cushman Street, Suite 102 Fairbanks, AK 99701 | [www.fairbankschamber.org](http://www.fairbankschamber.org) | 907-452-1105



March 23, 2018

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

RE: House Bill 233 Education Tax Credits Legislation

Dear Representative Tuck:

Northrim Bank supports extending the Alaska Education Tax Credit sunset from December 21, 2018 to January 1, 2025, repeal the decrease in dollar value and the narrowing in scope of the Alaska Education Tax Credits.

Northrim has contributed over \$5,000,000 in support of higher education in the state of Alaska (1996-2018) in connection with Education Tax Credits, with over \$1,000,000 in the past three years (\$300,000 in 2015, \$400,000 in 2016, and \$355,000 in 2017). We give to campuses in all communities where we have branches including Anchorage, Fairbanks, Juneau, Mat-Su, Eagle River, Ketchikan and Sitka. Additionally, specific schools and institutes such as the University of Alaska Fairbanks, School of Management, the University of Alaska Anchorage, Institute of Social and Economic Research, as well as business fellows and scholarship recipients have benefited due to Northrim's investment in education.

We support House Bill 233 which has the intent that the education tax credits remain as they appear in statute today until they are repealed in January 1, 2025.

Respectfully,

Joe Schierhorn, Chair, CEO, and President  
Northrim Bank