

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

February 26, 2018

8:02 a.m.

MEMBERS PRESENT

Representative Harriet Drummond, Chair
Representative Justin Parish, Vice Chair
Representative Ivy Spohnholz
Representative Jennifer Johnston
Representative David Talerico

MEMBERS ABSENT

Representative Chuck Kopp
Representative Lora Reinbold (alternate)
Representative Geran Tarr (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 212

"An Act relating to funding for school construction and major maintenance; and relating to the regional educational attendance area and small municipal school district fund."

- MOVED HB 212 OUT OF COMMITTEE

HOUSE BILL NO. 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; providing for an effective date by repealing the effective dates of secs. 3, 5, 7, 10, 14, 16, 18, 21, 23, 25, 28, 30, 32, 35, 37, 39, 42, 44, 46, 49, 51, 53, and 55, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, secs. 15, 17, 19, 21, 23, and 25, ch. 74, SLA 2012, sec. 49, ch. 14, SLA 2014, secs. 37, 40, 43, and 46, ch. 15, SLA 2014, and secs. 26 and 31, ch. 61, SLA 2014; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

- MOVED HB 233 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 212

SHORT TITLE: REAA & SMALL MUNI SCHOOL DISTRICT FUND
SPONSOR(s): REPRESENTATIVE(s) FOSTER

04/05/17	(H)	READ THE FIRST TIME - REFERRALS
04/05/17	(H)	EDC, FIN
02/09/18	(H)	BILL REPRINTED 2/9/18
02/21/18	(H)	EDC AT 8:30 AM CAPITOL 106
02/21/18	(H)	Heard & Held
02/21/18	(H)	MINUTE(EDC)
02/26/18	(H)	EDC AT 8:00 AM CAPITOL 106

BILL: HB 233

SHORT TITLE: EDUCATION TAX CREDITS; SUNSET; REPEALS
SPONSOR(s): REPRESENTATIVE(s) TUCK

04/15/17	(H)	READ THE FIRST TIME - REFERRALS
04/15/17	(H)	EDC, FIN
02/16/18	(H)	EDC AT 8:00 AM CAPITOL 106
02/16/18	(H)	Heard & Held
02/16/18	(H)	MINUTE(EDC)
02/26/18	(H)	EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

MARK VINK

Bering Straits School District
Unalakleet, Alaska

POSITION STATEMENT: During the hearing of HB 212, testified in support of the legislation.

TOMMY SHERIDAN, Director of Government Affairs
Silver Bay Seafoods
Cordova, Alaska

POSITION STATEMENT: During the hearing of HB 233, testified in support of the legislation.

MEGAN RIEBE, Executive Director
University of Alaska Foundation
Anchorage, Alaska

POSITION STATEMENT: During the hearing of HB 233, testified in favor of the legislation.

ACTION NARRATIVE

[8:02:21 AM](#)

CHAIR HARRIET DRUMMOND called the House Education Standing Committee meeting to order at 8:02 a.m. Representatives Drummond, Parish, Johnston, and Talerico were present at the call to order. Representative Spohnholz arrived as the meeting was in progress.

HB 212-REAA & SMALL MUNI SCHOOL DISTRICT FUND

[8:03:08 AM](#)

CHAIR DRUMMOND announced that the first order of business would be HOUSE BILL NO. 212, "An Act relating to funding for school construction and major maintenance; relating to the regional educational attendance area and small municipal school district fund; and providing for an effective date."

[8:03:27 AM](#)

MARK VINK, Bering Straits School District, advised that the Bering Straits School District supports HB 212 because with the limited available state dollars currently, "you would be able to work out a portion of a school instead of the whole thing." For example, in the Bering Straits School District, one of its latest projects (indisc.) where it was able to work out a portion of that school to improve it rather than replacing the whole school. Hopefully, he said, the dollars can be made available for further (indisc.) to help all students that are eligible for this funding.

CHAIR DRUMMOND, after ascertaining no one wished to testify, close public testimony on HB 212.

[8:05:14 AM](#)

REPRESENTATIVE PARISH moved to report HB 212, labeled 30-LS0741\D, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 212 moved from the House Education Standing Committee.

[8:05:38 AM](#)

The committee took an at-ease from 8:05 a.m. to 8:07 a.m.

HB 233-EDUCATION TAX CREDITS; SUNSET; REPEALS

[8:07:04 AM](#)

CHAIR DRUMMOND announced that the final order of business would be HOUSE BILL NO. 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; providing for an effective date by repealing the effective dates of secs. 3, 5, 7, 10, 14, 16, 18, 21, 23, 25, 28, 30, 32, 35, 37, 39, 42, 44, 46, 49, 51, 53, and 55, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, secs. 15, 17, 19, 21, 23, and 25, ch. 74, SLA 2012, sec. 49, ch. 14, SLA 2014, secs. 37, 40, 43, and 46, ch. 15, SLA 2014, and secs. 26 and 31, ch. 61, SLA 2014; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

CHAIR DRUMMOND opened public testimony on HB 233.

[8:07:24 AM](#)

TOMMY SHERIDAN, Director of Government Affairs, Silver Bay Seafoods, advised that Silver Bay Seafoods strongly supports HB 233, and explained that Silver Bay Seafoods began in 2007 as a single salmon processing facility in Sitka and has since grown into one of the largest seafood companies in the state. The company currently operates in Sitka, Craig, Valdez, Naknek, and Metlakatla, and it is dependent on a large and diverse workforce the likes of which can and do receive its training through the University of Alaska Southeast (UAS) Career Education. He remarked that with regard to the seafood processing industry in particular, funding is made possible through the education tax credits which have resulted in several notable and relevant training opportunities for Alaskan youth. The recent and significant example includes: the At-Sea Processors Association and Goldbelt, Inc. funding the UAS fisheries technology program during the 2017-2018 academic years. As part of these activities, the At-Sea Processors Association and Goldbelt, Inc. funded over 50 Alaskan high school students to take university level fisheries (indisc.) from Kodiak to Juneau and Sitka to Unalaska, Galena, and Petersburg. This funding offered the opportunity for 22 students to take an iPad based introduction to oceanography course for the University of Alaska general education credits. He related that he personally benefited from similar financial assistance several years ago as a student of the fisheries technology program. He advised that with financial assistance from Icycle Seafoods, he received an

undergraduate certificate in fisheries technology before moving on to complete several graduate level programs at the Oregon State University. These studies included a graduate certificate in fishery management, a Master of Science, Fisheries, and Wildlife Administration, with a graduate minor in rural studies. He related that the extension of the education tax credit program through HB 233 will continue to promote private investors in Alaska's higher education which is essential to ensuring that Alaskans have the skills necessary to sustain and grow Alaska's commercial fishing industry.

[8:10:17 AM](#)

MEGAN RIEBE, Executive Director, University of Alaska Foundation, advised that over the years, the education tax credit has provided a wealth of private resources that flow to the university from the private industry. She related that Mr. Sheridan's testimony "summed it up very well," as this is private funding going into building Alaska's workforce for the future and promoting economic growth and prosperity. Particularly, she advised, there has been great support from the fisheries and mining industries that is critical to both the companies that provide that support and to the university. The University of Alaska Foundation donors prefer to plan their donations well in advance, and the foundation often receives three to five year pledges for major gifts for these workforce development programs, and for teaching and research as well. She urged the committee to pass this legislation in order for donors to plan for their future private giving to the University of Alaska.

CHAIR DRUMMOND, after ascertaining no one wished to testify, closed public testimony on HB 233.

[8:12:15 AM](#)

REPRESENTATIVE TALERICO commented that this is an extension of the program to 2025, (indisc.) this will extend the program.

CHAIR DRUMMOND answered that Representative Talerico was correct, it extends the program to 1/1/2025.

[8:12:54 AM](#)

REPRESENTATIVE SPOHNHOLZ commented that she had the opportunity to work for the University of Alaska for approximately eight years and she was able to first-hand educate the community about

the education tax credit and the opportunities for the private sector to invest in the university. She related that it is a strategic type of tax credit in that it incentivizes investment into the university's workforce development programs. The mining, oil and gas, and fisheries industries have provided huge investments when utilizing the education tax credit and investing in the University of Alaska, which generates trained Alaskans. She described the tax credit program as an important program with a great return on investment for many years. The program was expanded in previous iterations to allow for additional types of education programs to qualify, including K-12 schools, which is positive particularly in light of the state's budget shortfalls. She stated that she strongly supports this legislation.

[8:14:35 AM](#)

REPRESENTATIVE PARISH moved to report HB 233 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 233 moved from the House Education Standing Committee.

[8:14:54 AM](#)

The committee took an at-ease from 8:14 a.m. to 8:16 a.m.

[8:17:00 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 8:17 a.m.