

ALASKA LEGISLATURE

2722

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

FISCAL NOTE #1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSSB 286(L&C)

ANALYSIS CONTINUATION

Revenue Analysis

Fisheries Business Tax

We estimate that during the calendar year 2002 there were 120 fisheries business taxpayers who would have operated under the direct marketing fisheries business license authorized by the bill. Together this group reported taxable value of just over \$2.4 million with a combined tax liability of just over \$120,000 at current rates. Existing rates for floating processors are 5% for established species and 3% for developing species. Based on their 2002 activity, the tax liability of this group would be approximately \$70,000 at the 3% and 1% rates established by this bill. The impact of the lower tax rates, standing alone, would have been to decrease revenue to the state and local governments by approximately \$50,000. Nevertheless we expect the overall revenue impact of the bill to be neutral or positive.

We believe that the impact of the rate reductions will be offset by the effect of other provisions within the bill. The "exclusion" under AS 43.75.017 is not in fact an exclusion from taxation. The "exclusion" merely transfers the responsibility for the tax to the licensed fisheries business who purchase processed fish from the fisherman. By making the exclusion mandatory the bill will reduce confusion over who is the taxpayer under the law. We expect that the definition of taxable value will be perceived by the affected taxpayers as more fair than existing law. The bill also simplifies enforcement of the complex issue of taxable value. These factors strongly influence tax compliance, accordingly we expect revenue from improved compliance to offset the reduced tax rates.

Salmon Enhancement & Marketing Taxes

Current law places the burden for collection of salmon enhancement and marketing taxes solely on the buyer. Buyers in casual sales are often unaware of the requirement which is impractical to enforce. The bill addresses this issue by requiring fishermen who sell salmon to unlicensed buyers to pay their salmon enhancement and marketing taxes directly on a single annual return. We expect between 300 and 400 additional returns as a result of this change but are unable to estimate associated revenues.

Cost Analysis

For 2003 we issued 310 fisheries business licenses to fishermen who we believe will qualify for the direct marketing fisheries business license under this bill. Many of these fishermen did not engage in taxable activity, but obtained the license in the event that an opportunity or need to process or export their catch arose during the year. Of these 310 licensees, 194 provided security for estimated tax totaling just over \$129,000. This data implies that direct marketing activity in 2003 was higher than in 2002. We expect that the bill will further increase the number of fishermen who participate in processing and direct marketing activity. The number of license applications and fisheries business tax returns will increase proportionately.

The bill authorizes direct marketers to report taxable value at the prevailing price in the region or market area. The prevailing price is used to prevent the taxation of value added by the direct marketer and thus to measure their tax base consistent with the rest of the industry. The bill provides the department with authority to restate taxable value consistent with market transactions in the market area where the reported value is inconsistent with values reported by other taxpayers. The department must compare values reported by these taxpayers to those reported in arms length transactions within the area to ensure compliance.

The overall number of fishermen who are responsible for filing returns will increase by three to four hundred based on 2003 Catcher Soller permits issued by ADF&G. Existing direct marketers will file fewer returns. We estimate that the net increase in salmon enhancement and marketing tax returns will be between 150 to 250 annually based on current activity.

We request funding of a Tax Technician II position beginning the second half of FY06 representing the combined efforts for licensing, compliance, and return processing under the bill.

FISCAL NOTE

REPORTED OUT

MAR 24 2004

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSB 286(L&C)
 (S) Publish Date: 2/18/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title Relating to direct marketing fisheries RDU Commercial Fisheries
businesses, to the fisheries business tax Component _____
 Sponsor Senator Stedman
 Requester Senate Labor & Commerce Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 Passage of this legislation would have no fiscal impact.

Prepared by: Sarah Gilbertson Phone 465-6137
 Division: Legislative Liaison Date/Time 2/6/04 12:56 PM
 Approved by: Commissioner Kevin Duffy Date 2/6/2004
 Agency: Alaska Department of Fish & Game

ADOPTED

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-LS0738\Z
Utermohle
3/22/04

CS FOR SENATE BILL NO. 286()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

EY

Offered:
Referred:

Sponsor(s): SENATORS STEDMAN BY REQUEST OF THE JOINT L
TASK FORCE, Ben Stevens, Elton

CS 2 would
not impact
previous FN's
Per Ian Fisk
3/22/04

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to direct marketing fisheries businesses, to the fisheries business tax,
2 and to liability for payment of taxes and assessments on the sale or transfer of fishery
3 resources; and providing for an effective date."

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

5 * Section 1. AS 43.75.015(c) is amended to read:

6 (c) A person engaging or attempting to engage in a fisheries business who first
7 actually and physically processes the fishery resource, or a person who purchases a
8 fishery resource that is processed [FROZEN] from a person excluded by
9 AS 43.75.017 from liability for the tax, is liable for and shall pay to the department the
10 entire tax imposed by this section. In determining this tax liability, the person may
11 deduct from the value of the fishery resources processed the value of fishery resources
12 that are canned or processed for other fisheries businesses. A person taking the
13 deduction authorized by this subsection shall report all information relating to the
14 deduction in accordance with regulations adopted by the department.

L

1 * Sec. 2. AS 43.75.015 is amended by adding new subsections to read:

2 (d) Instead of the taxes levied under (a) or (b) of this section, a person who
3 processes a fishery resource under a direct marketing fisheries business license is
4 liable for and shall pay a tax equal to

5 (1) one percent of the value of the developing commercial fish species
6 processed during the year; and

7 (2) three percent of the value of a commercial fish species not subject
8 to (1) of this subsection.

9 (e) For purposes of determining the value of a fishery resource on which a tax
10 is levied under this section, the department may establish a presumption of market
11 value for a fishery resource in a region or market area based on a volume weighted
12 average of market values for the fishery resource reported on returns filed under this
13 chapter by fisheries businesses operating in the region or market area. A taxpayer who
14 appeals an assessment of taxes based on a presumption of market value determined by
15 the department under this subsection may rebut the presumption with substantial
16 evidence of

17 (1) the prevailing price paid to fishermen for the fishery resource of the
18 same kind and quality by fisheries businesses in the same region or market area where
19 the fishery resource was taken, if the taxpayer holds a direct marketing fisheries
20 business license under AS 43.75.020(c) and the fishery resource on which the tax is
21 levied is processed under that license; or

22 (2) the true market value of the fishery resources if the taking of the
23 fishery resource is done in a company-owned or company subsidized boat operated by
24 employees of a fisheries business, a subsidiary of the fisheries business, or a parent
25 company of the fisheries business.

26 * Sec. 3. AS 43.75.017 is amended to read:

27 **Sec. 43.75.017. Exclusion from fisheries business tax.** A person is not liable
28 for the fisheries business tax under AS 43.75.015 when the fishery resource is
29 processed [FROZEN] aboard a fishing vessel if

30 (1) the vessel is operated as a commercial fishing vessel under a valid
31 commercial fishing license;

1 (2) the fishery resource is not processed beyond heading, gutting or
2 cleaning, freezing, and glazing;

3 (3) the fishery resource was caught by the vessel; and

4 (4) the fishery resource is sold [BY THE PERSON CLAIMING AN
5 EXCLUSION FROM THE TAX] to a fisheries business licensed under this chapter.

6 * Sec. 4. AS 43.75.020 is amended by adding a new subsection to read:

7 (c) Instead of a license issued under (a) of this section, the department may
8 issue a direct marketing fisheries business license to a licensed commercial fisherman
9 who processes fishery resources caught using a vessel that does not exceed 65 feet in
10 overall length and is owned or leased by the commercial fisherman. The licensee may
11 place into commerce in the state and outside of the state processed or unprocessed
12 fishery resources caught using the vessel described in the license. Fishery resources
13 that are caught using the vessel and owned by the licensee from the time of harvest
14 through sale, as defined by the department by regulation, may be processed by the
15 licensee on the vessel, at a shore-based facility, or by means of custom processing
16 services obtained by the licensee. An application for a direct marketing fisheries
17 business license shall be filed with the department and accompanied by an annual fee
18 of \$25. A separate direct marketing fisheries business license and annual license fee
19 are required for each vessel on which processing is performed. The application must
20 state the name and address of the applicant, the fishery resources for which the
21 applicant holds a commercial fishing entry permit or interim-use permit or quota
22 share, a description of the vessel and each shore-based facility where the applicant will
23 process fishery resources, and other information that the department prescribes by
24 regulation. The application must state that the applicant agrees to pay the tax imposed
25 by AS 43.75.015(d) or 43.75.100, and that the applicant will make a return and pay the
26 tax at the time provided by law. A person who holds a direct marketing fisheries
27 business license may not under that license (1) purchase fishery resources for resale or
28 processing for sale; or (2) process fishery resources for another licensed commercial
29 fisherman or for a fisheries business licensed under this chapter. In this subsection,
30 "licensed commercial fisherman" means a natural person who holds a commercial
31 fishing entry permit or interim-use permit issued under AS 16.43 or a quota share

1 issued under federal law.

2 * Sec. 5. AS 43.75.290(7) is amended to read:

3 (7) "value" means

4 (A) the market value of the fishery resource as determined
5 by the prevailing price paid to fishermen for the unprocessed fishery
6 resource of the same kind and quality by fisheries businesses in the same
7 region or market area where the fishery resource was taken if

8 (i) the taking of the fishery resource is done in a boat
9 owned or leased by a person who holds a direct marketing fisheries
10 business license under AS 43.75.020(c); and

11 (ii) the fishery resource was sold to a buyer other
12 than a fishery business licensed under AS 43.75.020(a);

13 (B) for fisheries resources other than those described in (A)
14 of this paragraph, the market value of the fishery [FISHERIES] resource if
15 the taking of the fishery [FISHERIES] resource is done in company-owned or
16 company-subsidized boats operated by employees of the company or in boats
17 that are operated under lease to or from the company or other arrangement with
18 the company and if the fishery [FISHERIES] resource is delivered to the
19 company; in this subparagraph, "company" means a fisheries business, a
20 subsidiary of a fisheries business, or a subsidiary of a parent company of a
21 fisheries business; "company" does not include a direct marketing fisheries
22 business licensed under AS 43.75.020(c); or

23 (C) [(B)] for fishery [FISHERIES] resources other than those
24 described in (A) or (B) of this paragraph, the actual price paid for the fishery
25 [FISHERIES] resource by the fisheries business to the fisherman, including
26 indirect consideration and bonus amounts paid for fuel, supplies, gear, ice,
27 handling, tender fees, or delivery, whether paid at the time of purchase of the
28 fishery [FISHERIES] resource or tendered as a deferred or delayed payment;
29 in this subparagraph, "delivery" means

30 (i) transportation of the fishery [FISHERIES] resource
31 from the boat or vessel on which the product was taken to a tender; or

1 (ii) if delivery was not to a tender, transportation of the
2 fishery [FISHERIES] resource from the boat or vessel on which the
3 product was taken to a shore-based facility in which delivery of the
4 fishery [FISHERIES] resource is normally accepted.

5 * Sec. 6. AS 43.76.025(a) is amended to read:

6 (a) Except as otherwise provided under (d) of this section, a [A] buyer who
7 acquires fishery [FISHERIES] resources that are subject to a salmon enhancement tax
8 imposed by AS 43.76.010, 43.76.011, or 43.76.012 shall collect the salmon
9 enhancement tax at the time of purchase, and shall remit the total salmon enhancement
10 tax collected during each month to the Department of Revenue [DEPARTMENT] by
11 the last day of the next month.

12 * Sec. 7. AS 43.76.025 is amended by adding a new subsection to read:

13 (d) A direct marketing fisheries business licensed under AS 43.75.020(c) or a
14 commercial fisherman who transfers possession of salmon to a buyer who is not a
15 fisheries business licensed under AS 43.75 is liable for the payment of a salmon
16 enhancement tax imposed by AS 43.76.010, 43.76.011, or 43.76.012 if, at the time
17 possession of the salmon is transferred to a buyer, the salmon enhancement tax
18 payable on the salmon has not been collected. If a direct marketing fisheries business
19 or commercial fisherman is liable for payment of the salmon enhancement tax under
20 this subsection, the direct marketing fisheries business or commercial fisherman shall
21 comply with the requirements of (b) of this section to maintain records and to report
22 the liability for payment of the tax. Notwithstanding (a) of this section, a person
23 subject to this subsection shall remit the total salmon enhancement tax payable during
24 the calendar year to the Department of Revenue before April 1 after close of the
25 calendar year.

26 * Sec. 8. AS 43.76.120(a) is amended to read:

27 (a) Except as otherwise provided under (e) of this section, a [A] buyer who
28 acquires salmon that is subject to a salmon marketing tax imposed by AS 43.76.110
29 shall collect the salmon marketing tax at the time of purchase and shall remit the total
30 salmon marketing tax collected during each month to the Department of Revenue by
31 the last day of the next month.

1 * **Sec. 9.** AS 43.76.120 is amended by adding a new subsection to read:

2 (e) A direct marketing fisheries business licensed under AS 43.75.020(c) or a
3 commercial fisherman who transfers possession of salmon to a buyer who is not a
4 fisheries business licensed under AS 43.75 is liable for the payment of a salmon
5 marketing tax imposed by AS 43.76.110 if, at the time possession of the salmon is
6 transferred to a buyer, the salmon marketing tax payable on the salmon has not been
7 collected. If a direct marketing fisheries business or commercial fisherman is liable
8 for payment of the salmon marketing tax under this subsection, the direct marketing
9 fisheries business or commercial fisherman shall comply with the requirements under
10 (b) of this section to maintain records and to make reports to the Department of
11 Revenue. Notwithstanding (a) of this section, a person subject to this subsection shall
12 remit the total salmon marketing tax payable during the calendar year to the
13 Department of Revenue before April 1 after close of the calendar year.

14 * **Sec. 10.** AS 43.76.190(a) is amended to read:

15 (a) Except as otherwise provided under (e) of this section, a [A] buyer who
16 acquires a fishery resource that is subject to a dive fishery management assessment
17 levied under AS 43.76.150(b), (c), (d), or (e) shall collect the dive fishery management
18 assessment at the time of purchase and shall remit the total dive fishery management
19 assessment collected during each calendar quarter to the Department of Revenue by
20 the last day of the month following the end of the calendar quarter. In this subsection,
21 "calendar quarter" means each of the three-month periods ending March 31, June 30,
22 September 30, and December 31.

23 * **Sec. 11.** AS 43.76.190 is amended by adding a new subsection to read:

24 (e) A direct marketing fisheries business licensed under AS 43.75.020(c) or a
25 commercial fisherman who transfers possession of a fishery resource to a buyer who is
26 not a fisheries business licensed under AS 43.75 is liable for payment of a dive fishery
27 management assessment levied under AS 43.76.150(b), (c), (d), or (e) if, at the time
28 possession of the fishery resource is transferred to a buyer, the dive fishery
29 management assessment payable on the fishery resource has not been collected. If a
30 direct marketing fisheries business or commercial fisherman is liable for payment of a
31 dive fishery management assessment under this subsection, the direct marketing

1 fisheries business or commercial fisherman shall comply with the requirement to
2 maintain records under (b) of this section. Notwithstanding (a) of this section, a
3 person subject to this subsection shall remit the total dive fishery management
4 assessment payable during the calendar year to the Department of Revenue before
5 April 1 after close of the calendar year.

6 * **Sec. 12.** AS 43.76.260(a) is amended to read:

7 (a) Except as otherwise provided under (f) of this section, a [A] buyer who
8 acquires salmon that is subject to a salmon fishery assessment levied under
9 AS 43.76.220 shall collect the salmon fishery assessment at the time of purchase and
10 shall remit the total salmon fishery assessment collected during each month to the
11 Department of Revenue [DEPARTMENT] by the last day of the next month.

12 * **Sec. 13.** AS 43.76.260 is amended by adding a new subsection to read:

13 (f) A direct marketing fisheries business licensed under AS 43.75.020(c) or a
14 commercial fisherman who transfers possession of salmon to a buyer who is not a
15 fisheries business licensed under AS 43.75 is liable for the payment of a salmon
16 fishery assessment levied under AS 43.76.220 if, at the time possession of the fishery
17 resource is transferred to a buyer, the salmon fishery assessment payable on the
18 salmon has not been collected. If a direct marketing fisheries business or commercial
19 fisherman is liable for payment of the salmon fishery assessment under this
20 subsection, the direct marketing fisheries business or commercial fisherman shall
21 comply with the requirement under (b) of this section to maintain records.
22 Notwithstanding (a) of this section, a person subject to this subsection shall remit the
23 total salmon fishery assessment payable during the calendar year to the Department of
24 Revenue before April 1 after close of the calendar year.

25 * **Sec. 14.** AS 43.76.310(a) is amended to read:

26 (a) Except as otherwise provided under (f) of this section, a [A] buyer who
27 acquires fish that are subject to a permit buy-back assessment imposed by
28 AS 43.76.300 shall collect the permit buy-back assessment at the time of purchase and
29 shall remit the total permit buy-back assessment collected during each month to the
30 Department of Revenue [DEPARTMENT] by the last day of the next month.

31 * **Sec. 15.** AS 43.76.310 is amended by adding a new subsection to read:

1 (f) A direct marketing fisheries business licensed under AS 43.75.020(c) or a
2 commercial fisherman who transfers possession of fish to a buyer who is not a
3 fisheries business licensed under AS 43.75 is liable for the payment of a permit buy-
4 back assessment imposed by AS 43.76.300 if, at the time possession of the fish is
5 transferred to a buyer, the permit buy-back assessment payable on the fish has not
6 been collected. If a direct marketing fisheries business or commercial fisherman is
7 liable for payment of a permit buy-back assessment under this subsection, the direct
8 marketing fisheries business or commercial fisherman shall comply with the
9 requirements under (b) of this section to maintain records and report the value of fish
10 acquired during the preceding year. Notwithstanding (a) of this section, a person
11 subject to this subsection shall remit the total permit buy-back assessment payable
12 during the calendar year to the Department of Revenue before April 1 after close of
13 the calendar year.

14 * **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **ADOPTION OF REGULATIONS.** The Department of Revenue shall adopt
17 regulations it considers necessary for the administration of this Act, but the regulations may
18 not take effect until January 1, 2005.

19 * **Sec. 17.** Section 16 of this Act takes effect immediately under AS 01.10.070(c).

20 * **Sec. 18.** Except as provided under sec. 17 of this Act, this Act takes effect January 1,
21 2005.

ALASKA STATE LEGISLATURE

SESSION

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SENATOR BERT K. STEDMAN

SPONSOR STATEMENT

SB 286

"An Act relating to direct marketing fisheries businesses"

Senate Bill 286, recommended by the Joint Legislative Salmon Industry Task Force, will provide fairness in the taxation of small-business commercial fishermen.

In today's marketplace of lower salmon prices and a demand for high-quality product, many fishermen are choosing to sell their catch directly to restaurants, grocery stores and consumers. In doing so, these entrepreneurial fishermen often freeze or otherwise process their fish, thus adding value to Alaska's fishery resources. Unfortunately, Alaska's current tax structure actually penalizes this market-driven business decision. The Fisheries Business Tax, or FBT (AS 43.75.015), requires small boat fishermen who process only their own catch to pay a 5% tax, the same tax rate as large industrial-scale floating processors that process a much higher volume of fish.

Furthermore, the current structure taxes small boat fishermen at an improperly high point of sale. Shore-based processors pay their FBT at 3% of the "grounds price" which is the price paid to fishermen for raw fish delivered to the processor. However, a small direct marketer must now pay their 5% FBT based on the price at their first point of sale which is usually much higher because it is a wholesale or retail price. In effect, this means that Alaska currently penalizes "value adding" to our fishery resources when done by small catcher/processors and direct marketers.

By creating a "Direct Marketing Fisheries Business License," SB 286 recognizes the important distinction between large and small floating processors and will end the disincentive Alaska currently places on direct marketers. The bill is unanimously supported by the Joint Legislative Salmon Industry Task Force and will provide fair tax relief to these Alaskan small businessmen.

DISTRICT A

*Ketchikan • Sitka • Petersburg • Wrangell
Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis*

ALASKA STATE LEGISLATURE

SESSION

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SENATOR BERT K. STEDMAN

SECTIONAL ANALYSIS

SB 286

"An Act relating to direct marketing fisheries businesses"

- Sec. 1** Extends Fisheries Business Tax Exclusion. In existing law, FBT must be paid by a person who first processes the fish. An exemption exists for fishermen who freeze fish onboard but who then sell the product to a processor. This exemption was tailored to trollers whose fishing operations often demand that they freeze at-sea even though they are not direct marketing their product. Sec. 1 of this bill extends this exemption to all vessels that process at-sea then sell to a processor. The Department of Revenue asked for this clarification of tax responsibility. Nothing in this section will affect state revenue.
- Sec. 2** Reduces the Fisheries Business Tax rate for direct marketers from 5% to 3%. Also allows Department of Revenue to establish the market value of fish products for taxation of direct marketers based on average prices paid by processors in the region.
- Sec. 3** Related to Sec. 1. Would allow fishermen who do some processing on board their vessel, but who then sell it to a processing company rather than direct marketing it, to be exempt from the Fisheries Business Tax. The "licensed fisheries business," meaning the processor, will pay the tax. As in Section 1, the department asked that tax liability in this production scenario be clarified and state revenue is unaffected.
- Sec. 4** Provides for a new Direct Marketing Fisheries Business License to be issued by the Department of Revenue. This will allow fishermen who own or lease a vessel of 65 ft. or less to catch, process and sell both processed or unprocessed fish products in Alaska or out-of-state.

Direct Market businesses would be prohibited from buying and processing fish from other fishermen under this license. A fisherman who wishes to participate in these types of activities still has the ability to become a buyer or processor under the current regulations.

DISTRICT A

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Identifies tax liabilities and establishes an annual application fee of \$25 and reporting requirements.

- Sec. 5** Defines "value" for taxation purposes as the prevailing price paid by processors for a given product in the same region or market area. This is a key section of the bill in that it means direct marketers will be taxed at the "grounds price" rather than having to base their taxes on wholesale and retail prices. Section 5 corrects the existing problem whereby direct marketers are paying higher taxes for adding value to fisheries resources.
- Sec. 6-15** Provides for a more user-friendly payment system by collecting all fisheries taxes for direct marketing fisheries businesses by April 1 each year. In addition to the fisheries business tax, these may include the salmon enhancement tax, salmon marketing tax, dive fishery assessment, salmon fishery assessment, and permit buy-back assessment. Currently, monthly payments that inconvenience fishermen during the harvesting season are required for the hatchery and marketing taxes.
- Sec. 16-18** Establishes effective dates for January 1, 2005.

SHORT DEFINITIONS OF TERMS

SB 286

Senator Bert Stedman

Direct Marketer - In the fishing industry, direct marketers are fishermen who catch and sell their own products. The products may be frozen, filleted or processed in other ways, or may simply be fresh seafood. Direct marketing entails selling to the public, to distributors, restaurants or grocery stores.

Catcher/Seller - This is a type of direct marketing operation. Catcher/sellers get a license at no cost from ADF&G that allows them to sell unprocessed product directly off their vessel at the dock to the general public. SB 286 / HB 444 will close a loophole in existing law that allows catcher/sellers to avoid taxation.

Catcher/Processor - There are many kinds of catcher/processors in the Alaska commercial fishing industry. A simple definition is a vessel that is capable of both catching fish and processing on board. This bill will affect catcher/processors of 65 feet and less such as some trollers and shrimpers who freeze product on board.

Floating processor - Also known as "floaters," these are large ships, essentially mobile fish plants, with on board processing lines. While the sponsor in no ways means to disparage this type of business, the intent of SB 286/HB 444 is to reform state taxation to recognize the differences between floaters and small direct marketing vessels. There is no distinction in current tax law.

Exporter - A direct marketer who exports unprocessed fishery resources from Alaska. An example might be a Dungeness crab fisherman who ships his crab live by airfreight to markets on the west coast. Such an exporter is currently already paying 3% fisheries business tax but will benefit from SB 286/HB 444 through the clarification of the value he pays that 3% on.

Fisheries Business Tax (FBT) - The oldest tax in the state, imposed in 1913, when the Territorial Legislature decided to tax salmon canneries. Currently, the tax rate is 3% on shore-side processors and 5% on "floating fisheries businesses," including small direct marketers. This bill will clarify the FBT tax picture for direct marketers.



*Wild Copper River Salmon
Discover the Processed at Sea Difference
F/V Gulkana*

March 23, 2004

The Alaska State Legislature

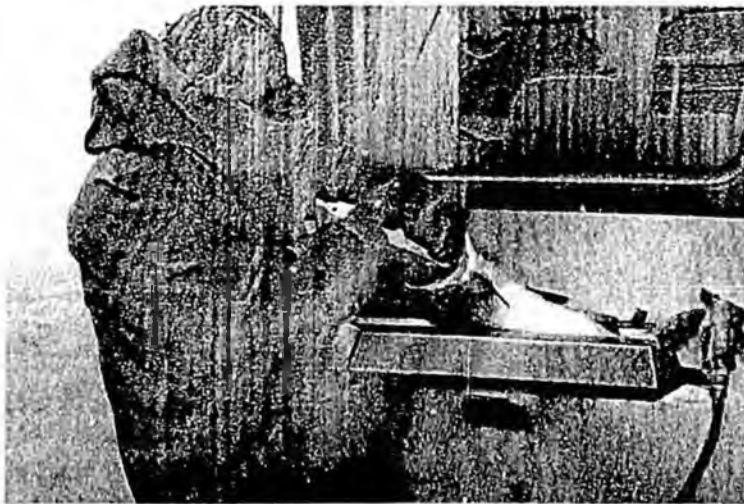
I would like to go on record in support of SB 286 and HB 444 as a direct market fisherman from the Copper River fishery. This legislation is a very positive first step forward for the entrepreneurial Direct Market fishermen of Alaska.

The positive impacts that these fishermen make in the marketplace are the epitome of what a high quality Alaskan seafood product can be and what can be possible. The current laws actually penalize these fishermen for their quality efforts.

The passage of SB 286 and HB 444 will help immensely in one of Alaska's growing fishery sectors. I respectfully request that you move these bills into law.

Bill Weber

F/V Gulkana



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March 22, 2004

Honorable Lyda Green, Co-Chair
Honorable Gary Wilken, Co-Chair
Senate Finance Committee
Alaska State Legislature
State Capitol, Mail Stop 3100
Juneau, AK 99801

RE: SB 286- Direct Marketing Fisheries Businesses

Dear Senators,

The Southeast Alaska Fishermen's Alliance (SEAFA) fully supports SB 286. SEAFA is a non-profit fishing organization formed in 2000 to represent our members involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska. We have been actively working on direct marketing issues since SEAFA was formed and our Executive Director and many members have been working on direct marketing issues for 8+ years. We believe that this legislation will have the most direct economic benefit to fishermen that comes out of the salmon industry task force.

This legislation was worked on two years in a sub-committee of the salmon task force marketing committee with industry, agencies and any public who wished to be involved. To get legislation that was workable and made sense, compromises were made on all sides of the issues and we came out with legislation that the majority approves of. Dept of Revenue especially worked hard on this legislation to come up with a workable solution and deserves recognition for their work on this and the other administrative changes they have made that improves the business climate for direct marketers.

SB 286 clarifies tax issues and provides equity to fishermen marketing their own products. This legislation corrects a large disadvantage that direct marketers were faced with under the current tax structure. These fishermen have paid their fisheries business tax (FBT) after value was added at 5% vs. a shore side processor who paid a 3% tax on the resource on an ex-vessel (grounds price) value. The small catcher/processor or direct marketer paid 5% because they were considered a floating processor. A higher tax rate was devised for floating processors because the large floating processor would anchor off shore, pay no property taxes, or use support services by State businesses. This is not true of the direct marketer. As we are a small boat fleet predominantly Alaskan based, we purchase our fuel, groceries, fishing gear and boat work etc. from the communities that we work out of and live in and should not be considered the same as a large floating processor that is like a small self-contained community.

SB 286 identifies value as the equivalent of grounds price (ex-vessel for your gear type, region and for like product) unless you sell to a licensed fishery business (processor) and then the value is what you received for the product even if value is added such as a frozen product.

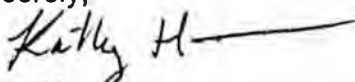
As this legislation was being worked on, industry leaders felt that as we fought for a fair tax basis that we also needed to work on being sure that all taxes are collected from fishermen. Under current tax law, salmon fishermen acting as catcher sellers (fishermen selling unprocessed fish from their vessel) did not pay the harvesters ASMI 1% marketing tax (SMT) and hatchery enhancement tax (SET) in those regions where it is collected because the buyer was responsible for the collection and remittance of these taxes and not the fisherman being ultimately responsible. This legislation will correct this loophole and make the fisherman responsible for the taxes if they are not selling salmon to a licensed fishery business and correct this issue on other possible taxes or assessments that may be implemented in sections 6 – 15 of the bill.

This legislation addressed processors concerns on who would qualify for a direct marketer license by very tightly defining who would qualify for this license. A direct marketer can not buy or purchase fishery resource, can not custom process fishery resources for another fisherman, must own or lease a vessel 65 feet or less. The 65-foot vessel length matches Dept of Environmental Conservation's regulation for a direct marketer. If a commercial fisherman wishes to pursue any of the activities listed above such as buying additional product they can set themselves up by meeting the requirements currently in statute that will continue to be available for someone wishing to become a fish buyer or processor. This legislation was designed to specifically deal with the commercial fisherman and their own catch.

Another aspect of this legislation allows the direct marketer to pay all their taxes (FBT, SET, & SMT) once a year rather than trying to pay the SET & SMT taxes monthly as you are trying to fish.

We understand that this legislation can be very confusing and we would be available to meet with you at anytime to discuss the issues individually or in committee. We hope that you understand that this legislation simply deals with correcting an un-equitable tax situation.

Sincerely,

A handwritten signature in cursive script that reads "Kathy H" followed by a horizontal line extending to the right.

Kathy Hansen
Executive Director

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

**United Southeast Alaska Gillnetters**

P.O. Box 23378, Ketchikan, AK 99901

Phone & Fax (907) 247-2471

Email: usa_gillnetters@att.net

March 21, 2004

Honorable Lyda Green, Co-chair
Honorable Gary Wilken, Co-chair
Senate Finance Committee
Alaska State Capitol
Juneau, AK 99801

Dear Senators Green and Wilken,

The United Southeast Alaska Gillnetters Association (USAG) represents about 150 small business owners who catch salmon by drift gillnetting in Southeast Alaska and market salmon throughout the United States. Many of our members participate in other fisheries such as crab, shrimp, longline, and dive fisheries. We strongly support Senate Bill No. 286 that will create a "direct marketing fisheries business license." In this era of low salmon prices, fishermen must be permitted to increase the value of their catch by dressing, processing and marketing it to create added value to the product resulting in increased income for the fishermen. This legislation is important as it puts the direct marketing fisherman on a level field with other businesses processing and marketing salmon and seafood products. It does this by defining the basis of the "value" of their catch in section .290(7)(A). The practical result of this value definition will be that the direct marketing fisherman will be taxed on the grounds price of the fish he has caught, not on the elevated value his/her fish are sold for which includes the extra effort and risk the fisherman has undertaken in processing and marketing his product. The direct market fisherman will still pay a three percent processing tax on the value of his/her catch, as defined in section .015(d)(*) of this proposed legislation, as well as any applicable enhancement or marketing taxes.

In summation, this bill is very important for individual fishermen who market their own catch and USAG supports its passage and urges the Senate Finance Committee to approve it.

Yours truly,

Kenneth Duckett
Executive Director



UNITED FISHERMEN OF ALASKA

March 22, 2004

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

Senator Lyda Green, Co-Chair
Senator Gary Wilken Co-Chair
Senate Finance Committee
Alaska State Legislature
State Capitol (Mail stop 3100)
Juneau, AK 99801-1182

Dear Senator Wilken,

United Fishermen of Alaska supports SB 286 relating to the Direct Marketing Fishery Business Tax. Direct marketing is a progressive approach to revitalizing the seafood industry, and SB 286 provides a much needed for the clarification of the tax situation for direct marketers and parity with shore-based processors. Fishermen all over the state are discovering new and innovative ways of promoting their product directly at a higher market value, thus providing local economic growth and increased state revenue. Direct marketing also creates new marketing channels as more people are given the opportunity to sample and purchase the highest quality seafood in the world. If we are going to turn this industry around, it's vital that we pave the way for independent, innovative fishermen that seek change and are willing take risks for the greater good of Alaska.

SB 286 and its companion bill HB 444 are the result of many years of effort by innovative fishermen dedicated to the opportunity to increase the value of their catch. The proposed changes required the input and coordination with the Alaska Department of Fish and Game, Department of Revenue, Department of Environmental Conservation, and consideration of the requirements of the U.S. Environmental Protection Agency. We feel that SB 286 represents a finely tuned balance within these agencies' requirements to best benefit fishermen and the State of Alaska.

United Fishermen of Alaska represents 33 Alaska Commercial fishing organizations and hundreds of individual fishermen and fishing related businesses, altogether representing over 10,000 Alaska fishermen. We support SB 286 and thank you for your attention to this matter.

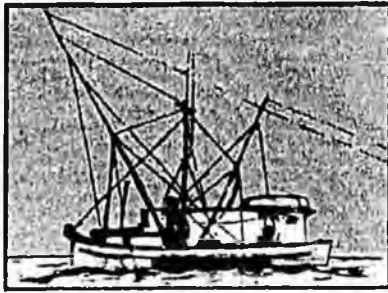
Sincerely,

Bob Thorstenson
President

CC: Senator Bert Stedman

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Druggers Association • Alaska Longline Fishermen's Association • Alaska Trollers Association • Armstrong Kela • At-sea Processors Association
Bristol Bay Reserve • Chignik Regional Aquaculture Association • Chignik Seiners Association • Concerned Area "M" Fishermen • Cordova District Fishermen United
Crab Rationalization and Buyback Group • Douglas Island Pink and Chum • Groundfish Forum • Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association
Kodiak Seiners Association • North Pacific Fisheries Association • Northern Pacific Scallop Cooperative • Northern Southeast Regional Aquaculture Association
Old Harbor Fishermen's Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Purna Seina Vessel Owners Association
Sealord Distribution Cooperative • Southeast Alaska Regional Fish Producers Association • Sitka Fishermen's Association • Sitka Fishermen's Association



Alaska Trollers Association

130 Seward St., No. 211
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

March 22, 2004

The Honorable Lyda Green, Co-Chair
The Honorable Gary Wilken, Co-Chair
Senate Finance Committee
Alaska State Legislature
Juneau, AK 99801

Dear Senators:

The **Alaska Trollers Association supports SB 286**, which seeks to provide tax equity and clarity for commercial fishermen who direct market seafood products.

In these challenging price times, more commercial fishermen are choosing to market all or part of their catch directly to the consumer, as a means to add value to their businesses. Direct marketing is an increasingly important option for small boat fishermen. However, the current tax structure discourages efforts to add value to products. Furthermore, the regulatory and administrative processes for direct marketing is cumbersome and does not quite fit the nature of these small operations.

By supporting cooperative efforts to correct problem areas, and adopting some relatively simple changes, the state of Alaska could take positive action to support small business; reduce agency staff time and state spending; promote market diversification of Alaskan seafood; and, bolster Alaska's economy, particularly in rural communities.

As you know, the Salmon Legislative Task Force has been working to encourage small business development and create new marketing opportunities. To that end, the Task Force Marketing Committee appointed a subcommittee to develop ideas and legislation to better accommodate the specific needs and circumstances of individual permit holders who direct market seafood.

The subcommittee met via statewide teleconference and in working groups for nearly two years. Advice was sought from direct marketers, DOR, ADFG, and DEC. Many administrative and legislative tasks have been identified. SB 286 is a direct result of this work. If passed, it will go a long way towards resolving imbalances that exist in our tax program. For instance, a small operator who freezes salmon at sea pays 5% fisheries business tax, just like the big, offshore fish processors. The product is not only taxed at a rate 2% higher than what shorebased processors pay, but the tax is calculated on the processed value of the product. In contrast, a shorebased processor pays 3% fisheries business tax based on the ex-vessel (raw fish) value of the product they purchased. ATA believes this tax inequity must be resolved.

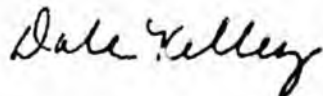
In addition to the rate of tax paid, the bill also clarifies who pays taxes and under what circumstances. This has been a confusing matter for all involved.

The bill establishes an annual timeframe for taxation, which will be extremely convenient for both fishermen and DOR. A primary goal of the Marketing Subcommittee is to streamline process for everyone involved, which should mean reduced cost and workload for fishermen and agency staff. Committee members have expressed an interest in continuing the project until all legislative and administrative tasks are complete.

There are many tasks ahead to develop a well-articulated direct marketing program and passage of SB286 will be a critical component. Hopefully you agree with us and will lend your support to this bill, as well as future actions to improve the direct marketing program and the relationship between industry and the state.

If I can provide information or perspective on this and other matters of importance to the seafood industry, please don't hesitate to call.

Best regards,

A handwritten signature in cursive script that reads "Dale Kelley".

Dale Kelley
Executive Director

TAKU RIVER



Len Peterson
FV Heather Anne
3152 Pioneer Ave.
Juneau, Alaska 99801
petersol@mac.com
len_peterson@takuriverreds.com

The Honorable Senator Bert Stedman
State Capitol Building, Room 30
Juneau, AK 99801

February 23, 2004

Dear Senator Stedman

Taku River Reds is a direct marketer of wild Alaska Salmon. The business sells only wild Alaska Salmon, gillnet-caught, near Juneau Alaska. Taku River Reds began business in 2003 having an Alaskan Fisheries License #5547. However, I, Len Peterson, have commercially fished my own boat since 1981.

Thank you for your support of Alaskan direct-marketers like myself with the introduction of SB286. The passage of the bill will allow me to fairly pay my fisheries taxes under the same basis as the processors accepting my fish on the grounds. In the past, my assessment was 2% greater than those processors and calculated on the value-added product price. This is an unfair burden on my small business that your bill appropriately corrects. I appreciate your efforts on my behalf as an Alaskan direct marketer.

In speaking with other direct marketers in a recent meeting in Anchorage, we all appreciate the fair impacts of this legislation for our businesses.

Sincerely,
Len Peterson

A handwritten signature in cursive script that reads "Len Peterson". The signature is fluid and matches the printed name above it.

Taku River Reds

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/30/04

FURTHER: Finance

Date of 5-Day Notice: 2/5/04
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/18/04

Labor and Commerce Committee considered SENATE BILL NO. 286

SB 286 DIRECT MARKETING FISHERIES BUSINESS

"An Act relating to direct marketing fisheries businesses, to the fisheries business tax, and to liability for payment of taxes and assessments on the sale or transfer of fishery resources; and providing for an effective date."

and recommends:

be replaced with _____ CS SB 286 (LEC)

adopt previous _____ CS _____

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

- Same Title
 New Title

House Bill:

- Same Title
 Technical Title Change
 New Title w/
SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
F&G	2/6/04			✓	2
REV	2/10/04	✓			1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:

TRENCH
SULLIVAN
G. STRAIN

	Do PASS	Do NOT PASS	No REC	AMEND
<i>[Signature]</i>	X			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

12/1/04

SENATE FINANCE COMMITTEE

SIGN-IN

SB 286-DIRECT MARKETING FISHERIES BUSINESS

✓ NAME: Kathy Hansen Subject/Bill No: SB 286
Co./Dept./Title: SEAK Fishermen's Alliance Phone: 586-6652
Exec. Director
Address: 9369 North Douglas Hwy Juneau Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: Chuck Harlamert Subject/Bill No: SB 286
Co./Dept./Title: Dept. of Revenue Phone: 2320
SOB
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SB

287

SFIN

FILE

SB 287

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

SB

288

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 6, 2004

FURTHER REFERRALS:

Date of Committee Action: 5/6/04

The FINANCE Committee considered:

CSSB 288(JUD)

CS FOR SENATE BILL NO. 288(JUD)

TEMPORARY CHILD CUSTODY HRNGS/PLACEMENT

"An Act relating to temporary custody hearings, and to certain determinations concerning placement of a child in child-in-need-of-aid proceedings; and providing for an effective date."

Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

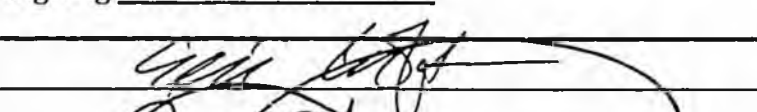


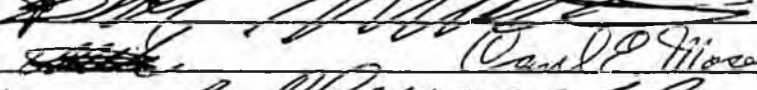
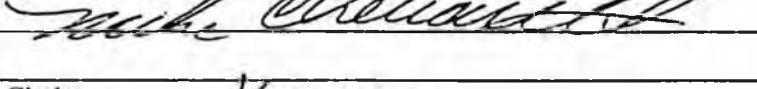
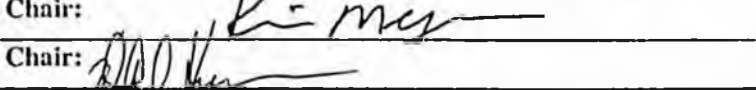


- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
HSS	1	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Crepp			✓	
	Foster	X			
	Toule			X	
	Stortz			X	
	MOSES			X	
	Chennault	X			
Vice Chair: 	Meyer	X			
Chair: 	Nazis			X	

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 288(HES)
 (S) Publish Date: 2/11/04
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title DETERMINATIONS OF COURT IN CINA
PROCEEDINGS

RDU Children's Services

Component Foster Care Base Rate

Sponsor GREEN

Requester SENATE (HES)

Component No. 2236

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	500.0	500.0	500.0	500.0	500.0	500.0
Miscellaneous						
TOTAL OPERATING	500.0	500.0	500.0	500.0	500.0	500.0

CAPITAL EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CHANGE IN REVENUES (0)	500.0	500.0	500.0	500.0	500.0	500.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	500.0	500.0	500.0	500.0	500.0	500.0
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	500.0	500.0	500.0	500.0	500.0	500.0

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would clarify language regarding the findings that a court is required to make at an initial hearing for a child that is removed emergently from his/her home by the Department of Health and Social Services. Currently, the court hears these cases and determines whether or not the Department has acted prudently in removing the child from his/her home. The court issues findings as to whether or not it is contrary to the welfare of the child to remain in his own home; however, the language in the court order may not reflect the exact wording that includes "contrary to the welfare" language. In order for the Department to receive federal reimbursement for the costs associated with the care of the child, the court must issue findings that specifically state that it is

Prepared by: Sherry Hill, Special Assistant
 Division: Office of the Commissioner
 Approved by: Joel S. Gilbertson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-1618
 Date/Time 02/03/2004
 Date 02/03/2004

FISCAL NOTE

FN # 1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. SB 288

ANALYSIS CONTINUATION

"contrary to the welfare" of the child to remain in his/her current home. These findings must be made at the first court hearing. Including this language in the court's initial findings will enable the Department to increase federal reimbursement for a significant number of children who enter state custody, emergently. The OCS projects it may see an increase of approximately 5% in its Federal Title IVE penetration rate, which may equate to an estimated \$500,000 in federal revenue for costs necessary to care for the child.

The Office of Childrens Services has identified an upward trend in the foster care base rate caseload. In FY2003 there was a 3.2% increase in children who received benefits from the foster care base rate program. The Office of Children's Services anticipates that the foster care caseload will increase another 3% in FY2004 and FY2005. With the additional federal receipts, the OCS intends to continue to cover the basic ongoing costs of raising a child, as well as ensure continuity of foster care base rate payments and the continued success of the foster care program.

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
(907) 465-3805 Fax

SENATOR LYDA GREEN SENATE DISTRICT G

SPONSOR STATEMENT FOR SENATE BILL 288

“An Act relating to certain determinations concerning placement of a child in emergency custody and temporary placement hearings in child in need of aid proceedings; and providing for an effective date.”

Current state law provides for the Court to determine, within 48 hours of removal from the home, whether probable cause exists for believing a child is in need of aid and to authorize a child's temporary placement out of the home. However, the language used by the courts in making determination varies and is often not in compliance with federal requirements. Senate Bill 288 mandates the Court to specifically use the language that continued placement in the home is “contrary to the welfare” of the child when exercising its authority to remove a child in need of aid. This legislation ensures that state law complies with federal requirements.

By requiring Contrary to the Welfare language in the first Court order following removal, the Office of Children's Services has the opportunity to increase federal reimbursement through the Title IV-E program for the care of the child and associated expenditures incurred by OCS for managing the foster care program. The Office of Children's Services estimates that passage of this legislation will result in an increase in federal Title IV-E receipts of \$500,000 in fiscal year 2005.



Alaska State Legislature

Senate Majority Web: <http://www.akrepublicans.org>

Sponsor: Senator Lyda Green
Current Version: CSSB 288(JUD)
Contact: Jacqueline Tupou, 465-6600
Date: March 15, 2004

Fact Sheet for: Senate Bill 288

Short Title: Emergency Child Custody Placement

Summary:

- Conforms to federal requirements the language a judge must use at a temporary custody hearing when determining placement of a child who has previously been removed from home.

Benefits:

- Requires a judge to explicitly state whether continued placement in the child's home is "contrary to the welfare" of the child.
- Ensures consistency in court rulings.
- The Office of Children's Services estimates that this bill will allow the department to receive an additional \$500,000 in federal Title IV-E funds in FY05.

Background:

Currently, the court must hold a hearing within 48 hours of removing a child from their home to determine placement. However, the language used by the courts in making determinations varies and is often not in compliance with federal requirements.

SB

288

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/1/04

REPORTED OUT

MAR 09 2004

SENATE FINANCE
COMMITTEE

FURTHER:

DATE TURNED
IN TO OFFICE: 3/9/04

Finance Committee considered

SENATE BILL NO. 288

SB 288 EMERGENCY CHILD CUSTODY PLACEMENT

"An Act relating to certain determinations concerning placement of a child in emergency custody and temporary placement hearings in child-in-need-of-aid proceedings; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SB 288 (JUD)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	2/23/04	500.0			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Paul Dwyer</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>Ben Stum</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>Lyla Green</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>			

FISCAL NOTE

REPORTED OUT

MAR 09 2004

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 288(HES)
 (S) Publish Date: 2/11/04
 Dept. Affected: Health & Social Services

SENATE FINANCE
COMMITTEE

Revision Date/Time (Note if correction):

Title DETERMINATIONS OF COURT IN CINA PROCEEDINGS

RDU Children's Services

Component Foster Care Base Rate

Sponsor GREEN

Requester SENATE (HES)

Component No. 2236

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	500.0	500.0	500.0	500.0	500.0	500.0
Miscellaneous						
TOTAL OPERATING	500.0	500.0	500.0	500.0	500.0	500.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)	500.0	500.0	500.0	500.0	500.0	500.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	500.0	500.0	500.0	500.0	500.0	500.0
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	500.0	500.0	500.0	500.0	500.0	500.0

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would clarify language regarding the findings that a court is required to make at an initial hearing for a child that is removed emergently from his/her home by the Department of Health and Social Services. Currently, the court hears these cases and determines whether or not the Department has acted prudently in removing the child from his/her home. The court issues findings as to whether or not it is contrary to the welfare of the child to remain in his own home; however, the language in the court order may not reflect the exact wording that includes "contrary to the welfare" language. In order for the Department to receive federal reimbursement for the costs associated with the care of the child, the court must issue findings that specifically state that it is

Prepared by: Sherry Hill, Special Assistant
 Division Office of the Commissioner
 Approved by: Joel S. Gilbertson, Commissioner
 Agency Department of Health and Social Services

Phone 465-1618
 Date/Time 02/03/2004
 Date 02/03/2004

COMMITTEE COPY

FISCAL NOTE
FN # 1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. SB 288

ANALYSIS CONTINUATION

"contrary to the welfare" of the child to remain in his/her current home. These findings must be made at the first court hearing. Including this language in the court's initial findings will enable the Department to increase federal reimbursement for a significant number of children who enter state custody, emergently. The OCS projects it may see an increase of approximately 5% in its Federal Title IVE penetration rate, which may equate to an estimated \$500,000 in federal revenue for costs necessary to care for the child.

The Office of Childrens Services has identified an upward trend in the foster care base rate caseload. In FY2003 there was a 3.2% increase in children who received benefits from the foster care base rate program. The Office of Children's Services anticipates that the foster care caseload will increase another 3% in FY2004 and FY2005. With the additional federal receipts, the OCS intends to continue to cover the basic ongoing costs of raising a child, as well as ensure continuity of foster care base rate payments and the continued success of the foster care program.

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
(907) 465-3805 Fax

SENATOR LYDA GREEN SENATE DISTRICT G

SPONSOR STATEMENT FOR SENATE BILL 288

“An Act relating to certain determinations concerning placement of a child in emergency custody and temporary placement hearings in child in need of aid proceedings; and providing for an effective date.”

Current state law provides for the Court to determine, within 48 hours of removal from the home, whether probable cause exists for believing a child is in need of aid and to authorize a child's temporary placement out of the home. However, the language used by the courts in making determination varies and is often not in compliance with federal requirements. Senate Bill 288 mandates the Court to specifically use the language that continued placement in the home is “contrary to the welfare” of the child when exercising its authority to remove a child in need of aid. This legislation ensures that state law complies with federal requirements.

By requiring Contrary to the Welfare language in the first Court order following removal, the Office of Children's Services has the opportunity to increase federal reimbursement through the Title IV-E program for the care of the child and associated expenditures incurred by OCS for managing the foster care program. The Office of Children's Services estimates that passage of this legislation will result in an increase in federal Title IV-E receipts of \$500,000 in fiscal year 2005.

SENATE COMMITTEE REPORT

DATE: 2/11/04

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3/1/04

Judiciary Committee considered

SENATE BILL NO. 288

SB 288 EMERGENCY CHILD CUSTODY PLACEMENT

"An Act relating to certain determinations concerning placement of a child in emergency custody and temporary placement hearings in child-in-need-of-aid proceedings; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 288 (JUD)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- Same Title
- New Title

House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	Indet.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	Indet.	FN#
HSS	2/3	✓			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Therriault	<i>[Signature]</i>			X	
Ogan	<i>[Signature]</i>	✓			
Ellis	<i>[Signature]</i>			X	
Seelkins	CHAIR: <i>[Signature]</i>	✓			

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/2/04

FURTHER: Judiciary

Date of 5-Day Notice: 2/5/04
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2.10.04

Health, Education and Social Services Committee considered

SENATE BILL NO. 288

SB 288 EMERGENCY CHILD CUSTODY PLACEMENT

"An Act relating to certain Determinations concerning placement of a child in emergency custody and temporary placement hearings in child-in-need-of-aid proceedings; and providing for an effective date."

and recommends:

- be replaced with _____ CS for SB 288 (HES)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	2/03	✓			1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Green	<i>Lynne Green</i>	✓			
Willen	<i>Cathy Willen</i>	✓			
Dyson	CHAIR: <i>Paul Dyson</i>	✓			

SB

289

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 12, 2004

FURTHER REFERRALS:

Date of Committee Action: 4.05.04

The FINANCE Committee considered:

SB 289

SENATE BILL NO. 289

EXTENDING THE SPECIAL ED SERVICE AGENCY

"An Act extending the termination date of the special education service agency; and providing for an effective date."

Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

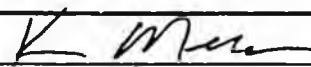

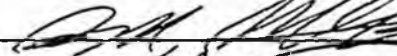
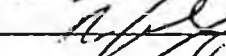




- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
EED		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Meyer	✓			
	Howard			✓	
	SCOTT			✓	
	Soule			✓	
	MOSES			✓	
	CROFT	✓			
	Foster	X			
Chair: 	Williams	X			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 289
() Publish Date: 4/5/2004

Revision Date/Time (Note if correction): _____ Dept. Affected: EED
Title An act extending the termination date of the RDU K-12 Support
Special education service agency Component Schools for the Handicapped
Sponsor Senator Green
Requester Health, Ed., and Soc. Serv., Finance Component No. 151

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims		2,096.6	2,096.6	2,096.6	2,096.6	2,096.6
Miscellaneous						
TOTAL OPERATING	0.0	2,096.6	2,096.6	2,096.6	2,096.6	2,096.6

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match		2,096.6	2,096.6	2,096.6	2,096.6	2,096.6
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	2,096.6	2,096.6	2,096.6	2,096.6	2,096.6

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This is a zero fiscal note.

Prepared by: Barbara Thompson, Director Phone 465-8727
Division Teaching & Learning Support Date/Time 4/5/04 9:37 AM
Approved by: Karen Rehfeld Date 4/5/2004
Agency Commissioner's Office



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

Official Business

State Capitol
Juneau, Alaska 99801-1182

MEMORANDUM

TO: Rep. Samuels, Chair
Legislative Budget and Audit Committee

FROM: Rep. Bill Williams, Co-Chair
House Finance Committee

DATE: April 6, 2004

RE: Special Education Service Agency Audit Request

The House Finance Committee respectfully requests the Legislative Budget and Audit Committee to authorize the Division of Legislative Audit to conduct a performance audit of the Special Education Service Agency. The audit should utilize the sunset criteria established in AS 1.66.050(c) for evaluating the agency's performance. Additionally, the audit should measure the progress made by the agency to the recommendations made in the most recent sunset review. (Audit Control No. 05-20026-04)

The audit should be completed and available to the legislature by January 2008.

We appreciate the Committee's consideration of this audit request.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 289
 (S) Publish Date: 2/11/04

Revision Date/Time (Note if correction): _____ Dept. Affected: EED
 Title: _____ RDU: K-12 Support
 Componder: Schools for the Handicapped

Sponsor: Senator Green
 Requester: Health, Ed., and Soc. Serv., Finance Component No. 151

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This is a zero fiscal note.

Prepared by: Barbara Thompson, Director Phone 465-8727
 Division: Teaching & Learning Support Date/Time 2/9/04 8:31 AM
 Approved by: _____ Date 2/9/2004
 Agency: _____

2004 HOUSE FINANCE COMMITTEE VOTE SHEET

To shorten sunset date
to four years
failed 3-5

DATE: 4.5.04

Amendment: # 1 - Hawker
SB 289

MEMBER

Favor

Oppose

MOSES	✓	
STOLTZE		✓
CHENAULT		
CROFT		✓
FATE		
FOSTER		✓
HAWKER	✓	
JOULE		✓
MEYER		✓
WILLIAMS	✓	
HARRIS		

Yea 3

Nay 5

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
(907) 465-3805 Fax

SENATOR LYDA GREEN SENATE DISTRICT G

SPONSOR STATEMENT FOR SB289

"An Act extending the termination date of the special education service agency; and providing for an effective date."

The Alaska Legislature established the Special Education Service Agency (SESA) in 1986 to help schools and infant learning programs provide required services for children with severe disabilities where there is no local expertise. SESA makes it possible for services to be delivered to districts that could not otherwise hire specialists; for instance small and low attendance remote areas, or in a district where there was only one disabled child.

SESA employs professionals specializing in severe disabilities such as blindness and visual impairment, deafness and hearing impairment, autism, mental retardation, multiple disabilities, deaf-blindness, and significant physical and emotional disabilities. SESA offers school-wide and district-wide consultations and support, local and regional services and workshops, statewide workshops and courses, technical assistance newsletters, and an extensive library and website. As intended by the legislature, student-specific service is targeted to small school districts, but SESA's workshops, courses, library, newsletter and website are provided to all schools.

SESA receives core funding through the Department of Education and Early Development. The appropriation for FY2005 is included in the Governor's proposed budget. SESA received positive performance reviews from the Division of Legislative Audit and was extended by the legislature in 1987, 1989, 1992, and 1995. The Division again recommends continuation. The Alaska Association of School Boards, The Alaska Association of School Administrators, The National Education Association-Alaska, The Governor's Council on Disabilities and Special Education, and the Department of Education and Early Development each support the extension of SESA.

The availability of specialized personnel in Alaska has decreased at the same time the incidence of severe disabilities has increased. SESA provides important functions for Alaskan children who would otherwise have to leave their families and communities to receive services in costly residential programs. SB289 reauthorizes the Special Education Service Agency for another nine years, to June 30, 2013.

Alaska Association of School Administrators

Resolution #3

SESA Reauthorization

Continuation and funding of the Special Education Service Agency

Originated by: the Alaska Association of School Administrators at the Fall Meeting in Girdwood, Alaska, October 5, 2003.

WHEREAS, the Alaska Legislature established the Special Education Service Agency (SESA) for the primary purpose of helping school districts provide mandated special education programs for students with low incidence disabilities, and

WHEREAS, most school districts in Alaska are unable to obtain qualified and experienced personnel to design and support effective, evidenced-based educational approaches for affected students, and

WHEREAS, access to personnel with specialized training and experience is essential if local schools are to provide effective special education to these students in their home districts as required by law, and

WHEREAS, SESA is the only Alaskan resource offering significant disability program supports to schools and parents, and SESA services have proven to be both educationally effective and fiscally efficient during seventeen years of operation, and

WHEREAS, SESA was cited for commendation by the U.S. Office of Education in a past review of the state's special education system, and receives consistently excellent ratings of satisfaction from service recipients and parents, and

WHEREAS, the most recent performance review of the agency by the Division of Legislative Audit strongly supported its current design and operations, and recommended the Legislature consider removing SESA from sunset status, and

WHEREAS, the Agency has been reauthorized by the Alaska Legislature four times since 1986, with formal support from school boards, superintendents, teachers, parents, and school districts, now

THEREFORE IT IS RESOLVED that the Alaska Association of School Administrators supports the continuation and full funding of the Special Education Service Agency as in A.S. 14.30.600, including reporting requirements to the Department of Education, and supports removal of the agency from sunset status.

Adopted: Girdwood, October 5, 2003

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



Affiliated with the National Education Association

June 16, 2003

Chris Robinson, Executive Director
Special Education Service Agency
2217 East Tudor Rd., Suite 1
Anchorage, AK 99507

Dear Mr. Robinson:

NEA-Alaska worked for the establishment of the Special Education Service Agency (SESA) in the 1980s. Since that time, our members have appreciated the support SESA has provided in educating students with low-incidence handicapping conditions. In 1993, our Delegate Assembly passed a New Business Item to support its continued existence.

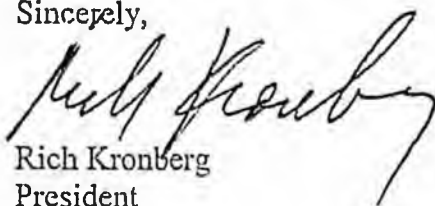
Since the passage of that New Business Item, SESA has proven to be an even more critical component in the educational infrastructure of Alaska. The delegates to our Delegate Assembly have recognized this by changing the New Business Item that supported SESA to a Resolution in support of SESA. Unlike New Business Items, which are specific and time sensitive, Resolutions are statements of our core organizational beliefs and are not time limited.

The following is the relevant text of NEA-Alaska Resolution E-7:

NEA-Alaska shall continue to support the Special Education Service Agency (SESA), a statewide agency that assists rural schools serving low incident students with disabilities. NEA-Alaska shall continue to support appointment of a member of the NEA-Alaska Special Education Committee...to be on SESA's Board of Directors.

On a personal level, I have always felt that the schools and students of Alaska have always been well-served by SESA staff. I have only heard positive reports about their work in the schools around our state.

Sincerely,



Rich Kronberg
President

5.7 CONTINUATION AND FUNDING OF THE SPECIAL EDUCATION SERVICE AGENCY

The Association of Alaska School Boards supports the continuation and full funding of the Special Education Service Agency as identified in AS 14.30.600, including reporting requirements to the Department of Education and Early Development, and therefore supports removal of the Agency from sunset status.

Rationale. The Alaska Legislature established the Special Education Service Agency (SESA) for the primary purpose of assisting school districts to provide mandated special education programs for students with low incidence disabilities. Most school districts in Alaska are unable to obtain qualified and experienced personnel to design and support effective educational approaches for affected students. Access to personnel with specialized training and experience is essential if local schools are to provide effective special education to these students in the home district, as required by law.

SESA is the only Alaskan resource offering specialized supports to schools and parents. SESA services have proven to be both educationally effective and fiscally efficient during 17 years of operation. The agency was cited for commendation by the US Office of Education, in a past review of the State's special education system, and receives consistently excellent ratings of satisfaction from service recipients and parents. The most recent performance review of the agency, by the Division of Legislative Audit, strongly supported its current design and operations, and recommended the Legislature consider removing SESA from sunset status. The agency has been reauthorized by the Alaska Legislature four (4) times since 1986, with formal support from school boards, superintendents, teachers, parents, and school districts.

Adopted by Association of Alaska School Boards as a Core Resolution – November 9, 2003



FRANK H. MURKOWSKI, GOVERNOR
State of Alaska

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

P.O. Box 240249 • Anchorage, Alaska 99524-0249 • Phone: 907-269-8990 • Fax: 907-269-8995 • Toll Free 800-709-6390

A Resolution on the Continuation and Full Funding of the Special Education Service Agency

Whereas the Alaska Legislature established the Special Education Service Agency (SESA) for the primary purpose of helping school districts provide mandated special education programs for students with low incidence disabilities; and,

Whereas most school districts in Alaska are unable to obtain qualified and experienced personnel to design and support effective, research-based educational approaches for affected students, and,

Whereas access to personnel with specialized training and experience is essential if local schools are to provide effective special education to these students in their home districts as required by law; and,

Whereas SESA is the only Alaskan resource offering specialized supports to schools and parents, and SESA services have proven to be both educationally effective and fiscally efficient during seventeen years of operation; and,

Whereas SESA was cited for commendation by the U.S. Office of Education in a past review of the state's special education system, and receives consistently excellent ratings of satisfaction from service recipients and parents; and,

Whereas the most recent performance review of the agency by the Division of Legislative Audit strongly supported its current design and operations, and recommended the Legislature consider removing SESA from sunset status; and,

Whereas the Agency has been reauthorized by the Alaska Legislature four times since 1986, each time with formal support from school boards, superintendents, teachers, parents, and school districts, now

Therefore BE IT RESOLVED THAT the Governor's Council on Disabilities and Special Education supports the continuation and full funding of the Special Education Service Agency as in A.S. 14.30.600, including reporting requirements to the Department of Education, and supports removal of the agency from sunset status.

Respectfully submitted,

Elizabeth A. Edmands

Elizabeth Edmands, Council Chair

October 15, 2003

Unalaska City School District



Resolution 04-03

CONTINUATION and FUNDING of the SPECIAL EDUCATION SERVICE AGENCY

Whereas the Alaska Legislature established the Special Education Service Agency (SESA) for the primary purpose of helping school districts provide mandated special education programs for students with low incidence disabilities; and,

Whereas most school districts in Alaska are unable to obtain qualified and experienced personnel to design and support effective, research-based educational approaches for affected students, and,

Whereas access to personnel with specialized training and experience is essential if local schools are to provide effective special education to these students in their home districts as required by law; and,

Whereas SESA is the only Alaskan resource offering significant disability program supports to schools and parents, and SESA services have proven to be both educationally effective and fiscally efficient during seventeen years of operation; and,

Whereas SESA was cited for commendation by the U.S. Office of Education in a past review of the state's special education system, and receives consistently excellent ratings of satisfaction from service recipients and parents; and,

Whereas the most recent performance review of the agency by the Division of Legislative Audit strongly supported its current design and operations, and recommended the Legislature consider removing SESA from sunset status; and,

Whereas the Agency has been reauthorized by the Alaska Legislature four times since 1986, each time with formal support from school boards, superintendents, teachers, parents, and school districts, now

NOW THEREFORE BE IT RESOLVED THAT the Unalaska City School Board of Education supports the continuation and full funding of the Special Education Service Agency as in A.S. 14.30.600, including reporting requirements to the Department of Education, and supports removal of the agency from sunset status.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY SCHOOL BOARD THIS 30TH DAY OF OCTOBER 2003.

Tammy Fowler-Pound
Board President

Sonia Handforth-Kome
Clerk/Treasurer



**WRANGELL
PUBLIC SCHOOLS
DISTRICT OFFICE**

P.O. BOX 2319
WRANGELL, ALASKA 99929
Telephone (907) 874-2347
Fax # (907) 874-3137

GATEWAY TO THE STIKINE

Resolution 04-01

A Resolution of the Wrangell Public School Board Supporting Continuation and Funding of the Special Education Service Agency

Whereas the Alaska Legislature established the Special Education Service Agency (SESA) for the primary purpose of helping school districts provide mandated special education programs for students with low incidence disabilities, and,

Whereas most school districts in Alaska are unable to obtain qualified and experienced personnel to design and support effective, research-based educational approaches for affected students, and,

Whereas SESA is the only Alaskan resource offering significant disability program supports to schools and parents, and SESA services have proven to be both educationally effective and fiscally efficient during seventeen years of operation, and,

Whereas SESA was cited for commendation by the U.S. Office of Education in a past review of the state's special education system, and receives consistently excellent ratings of satisfaction from service recipients and parents, and,

Whereas the most recent performance review of the agency by the Division of Legislative Audit strongly supported its current design and operations, and recommended the Legislature consider removing SESA from sunset status, and,

Whereas the Agency has been reauthorized by the Alaska Legislature four times since 1986, each time with formal support from school boards, superintendents, teachers, parents, and school districts, now

Therefore **BE IT RESOLVED THAT** Wrangell Public Schools supports the continuation and full funding of the Special Education Service Agency as in A.S. 14.30.600, including reporting requirements to the Department of Education, and supports removal of the agency from sunset status.

ENACTED THIS 20th DAY OF October, 2003.
Wrangell, Alaska

La Tonnie Barlow
School Board President

October 29, 2003
Date

Pamella McCluskey
School Board Secretary/Treasurer

12/1/03
Date

Kake City School District

*P.O. Box 450
Kake, Alaska 99830
(907) 785-3741*

October 21, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, AK 99507

Dear Ms. Valle,

I have received notification that Alaska Statute 14.300.600 – 660 is scheduled to sunset at the close of this next school year and without reauthorization by the Legislature, SESA will be dissolved.

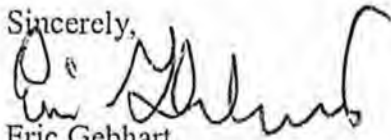
As Superintendent of the Kake City School District, I want to put my full support for the reauthorization of SESA on record. The services that SESA makes available to Kake are vital to the effectiveness of our special education programs. Students with low incidence disabilities deserve the best we can give them. The services SESA helps our district provide give us a degree of specialization and expertise that we would not be able to replace.

If SESA is not re-authorized I am concerned that we would not be able to maintain adequate services and students with severe disabilities would be forced to leave their homes and the village to receive appropriate services.

SESA has been a successful and efficient innovation for sharing scarce resources and offers an economy of scale rarely provided for districts like ours. I would encourage the Legislature to apply the SESA model to other statewide needs rather than allowing it to expire.

To this end, the Kake City School District Board of Education submits the enclosed Resolution unanimously approved at our regular board meeting on October 14, 2003. We fully support the continuation of SESA for the benefit of the students of Kake and all students in Alaska.

Sincerely,



Eric Gebhart
Superintendent

Kake City School District is an Equal Opportunity Employer

Kake City School District

*P.O. Box 450
Kake, Alaska 99830
(907) 785-3741*

Resolution #101403

Continuation and Funding of the Special Education Service Agency

Whereas the Alaska Legislature established the Special Education Service Agency (SESA) for the primary purpose of helping school districts provide mandated special education programs for students with low incidence disabilities; and,

Whereas most school districts in Alaska are unable to obtain qualified and experienced personnel to design and support effective, research-based educational approaches for affected students; and,

Whereas access to personnel with specialized training and experience is essential if local schools are to provide effective special education to these students in their home districts as required by law; and,

Whereas SESA is the only Alaskan resource offering significant disability program supports to schools and parents, and SESA services have proven to be both educationally effective and fiscally efficient during seventeen years of operation; and,

Whereas SESA was cited for commendation by the U.S. Office of Education in a past review of the state's special education system, and receives consistently excellent ratings of satisfaction from service recipients and parents; and,

Whereas the most recent performance review of the agency by the Division of Legislative Audit strongly supported its current design and operations, and recommended the Legislature consider removing SESA from sunset status; and,

Whereas the Agency has been reauthorized by the Alaska Legislature four times since 1986, each time with formal support from school boards, superintendents, teachers, parents, and school districts, now

Therefore BE IT RESOLVED THAT the school board of the Kake City School District supports the continuation and full funding of the Special Education Service Agency as in A.S. 14.30.600, including reporting requirements to the Department of Education, and supports removal of the agency from sunset status.

Adopted by the Kake City School District Board of Education at a regularly scheduled meeting held on Tuesday, October 14, 2003.

Signed:

Isabel Mills
Isabel Mills, School Board President

10-14-03
Date

Kake City School District is an Equal Opportunity Employer



Kodiak Island Borough School District
Office of the Superintendent
722 Mill Bay Road
Kodiak, Alaska 99615
907-486-9220

November 17, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, Alaska 99507

Dear Ms. Valle:

It has come to my attention that Alaska Statute 14.300.600 - 660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As a school district superintendent, I want to put my support for SESA's reauthorization on the record. The services SESA makes available to the Kodiak Island Borough School District must be continued if we are to provide appropriate special education programs as mandated for our students with low incidence disabilities. We have a very difficult time finding special education and related service personnel for our district openings. Low incidence professionals would be even more difficult if not impossible to find. We cannot be expected to acquire teachers with the specialized training and experience needed to design and implement severe disability programs.

I am concerned that without the in-district and distance support SESA provides our teachers and aides, we would face new costs for special education hearings and/or litigation, or would be forced to place students in very costly out-of-district or out-of-state residential programs, at district expense.

SESA has been a successful and efficient innovation for sharing of scarce resources and offers an economy of scale rarely provided small and rural districts. If anything, the state might consider applying the SESA model to other statewide needs, rather than allow it to expire.

Sincerely,

Betty Walters
Superintendent
Kodiak Island Borough School District

VALDEZ CITY SCHOOLS

Office of the Superintendent
P.O. Box 398 - 1112 West Klutina
Valdez, AK 99686
TEL# (907) 835-4357, FAX# (907) 835-4964
www.valdezcityschools.org

Resolution 04-03 Of the Board of Education

Concerning: Continuation and Funding of the Special Education Service Agency

Whereas, the Alaska Legislature established the Special Education Service Agency (SESA) for the primary purpose of helping school districts provide mandated special education programs for students with low incidence disabilities; and,

Whereas, most school districts in Alaska are unable to obtain qualified and experienced personnel to design and support effective, researched-based educational approaches for affected students, and,

Whereas, access to personnel with specialized training and experience is essential if local schools are to provide effective special education to these students in their home districts as required by law; and,

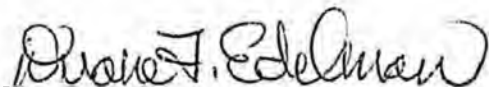
Whereas, SESA is the only Alaskan resource offering significant disability program supports to schools and parents, and SESA services have proven to be both educationally effective and fiscally efficient during seventeen years of operation; and,

Whereas, SESA was cited for commendation by the U.S. Office of Education in a past review of the state's special education system, and receives consistently excellent ratings of satisfaction from service recipients and parents; and,

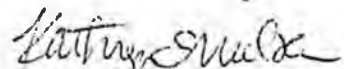
Whereas, the most recent performance review of the agency by the Division of Legislative Audit strongly supported its current design and operations, and recommended the Legislature consider removing SESA from sunset status; and,

Whereas, the Agency has been reauthorized by the Alaska Legislature four times since 1986, each time with formal support from school boards, superintendents, teachers, parents, and school districts, now,

Therefore be it resolved that the Valdez City School District Board of Education supports the continuation and full funding of the Special Education Service Agency as in A.S. 14.30.600, including reporting requirements to the Department of Education, and supports removal of the agency from sunset status.



Board President



Vice President

September 22, 2003

Date

VALDEZ CITY SCHOOL DISTRICT

Office of the Superintendent
P.O. Box 398 - 1112 West Klutina Street
Valdez, AK 99686
TEL# (907) 835-4357, FAX# (907) 835-4964
www.valdezcityschools.org

September 26, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, Alaska 99507

Dear Ms. Valle:

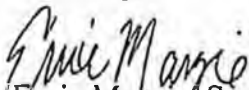
It has come to my attention that Alaska Statute 14.300.600 – 660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As a school district superintendent, I want to put my support for SESA's reauthorization on the record. The services SESA makes available to my district must be continued if we are to provide appropriate special education programs as mandated for our students with low incidence disabilities. We cannot be expected to acquire teachers with the specialized training and experience needed to design and implement severe disability programs.

I am concerned that without the in-district and distance support SESA provides our teachers and aides, we would face new costs for special education hearings and/or litigation, or would be forced to place students in very costly out-of-district or out-of-state residential programs, at district expense.

SESA has been a successful and efficient innovation for sharing of scarce resources and offers an economy of scale rarely provided small and rural districts. If anything, the state might consider applying the SESA model to other statewide needs, rather than allow it to expire.

Sincerely,



Ernie Manzie, Superintendent
Valdez City School District

EM:dfs



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue

Fairbanks, Alaska 99701-4756

(907) 452-2000

October 22, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Ste 1
Anchorage, AK 99507

Dear Ms. Valle:

I am writing on behalf of the Fairbanks North Star Borough School District to express our support for the reauthorization of the Special Education Service Agency by the state legislature and to extend or eliminate the June 30, 2004 sunset date.

The services of SESA to our district need to be continued and enhanced if we are to provide appropriate special education programs as mandated for our students with low incidence disabilities. We are finding it to be more and more difficult to acquire teachers with the specialized training and experience needed to design and implement severe disability programs. Please consider increasing services, not eliminating them.

While we are trying to do more for students with less revenue, it only makes sense to keep any economical services that have been successful. SESA has been that successful and efficient model for sharing of scarce resources. They also offer an economy of scale for districts. The state must consider applying the SESA model to other statewide needs, rather than allow it to sunset in June 2004.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ann E. Shortt". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ann E. Shortt, Ed. D.
Superintendent of Schools

/plh

Yupiiit School District
P.O. Box 51190
Akiachak, Alaska 99551
(907) 825-3600 phone; (907) 825-3655 fax

Ms. Gayle Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, Alaska 99507

Dear Ms. Valle,

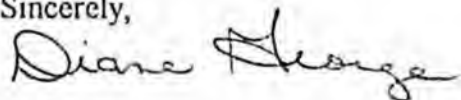
It has come to my attention that Alaska Statute 14.300.600-660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As the special education director for the Yupiiit School District, I want to put my full support for SESA's reauthorization on record. The services that SESA provides to my district have proved invaluable over the last several years. Without these services it would be nearly impossible for us to meet the needs of our students with low incidence disabilities. In addition, with the continuing shortage of special educators it is becoming even more difficult to hire teachers with the specialized training and experience needed to design and implement programs for students with severe disabilities.

Without the supports that SESA provides our district would be forced to consider out-of-district or out-of-state placements for some students. This is not only very costly, but in direct violation of IDEA which requires home school placement to the greatest extent possible.

SESA has been a successful model for supporting districts in their attempts to meet the educational needs of their most significantly disabled students. It would be a shame to lose this support in this time of shrinking financial resources.

Sincerely,



Diane George
Special Education Director

Cc: Representative Mary Kapsner,
Senator Lyman Hoffman
Commissioner Roger Sampson



**WRANGELL
PUBLIC SCHOOLS
DISTRICT OFFICE**

GATEWAY TO THE STIKINE

P.O. BOX 2319
WRANGELL, ALASKA 99929
Telephone (907) 874-2347
Fax # (907) 874-3137

September 19, 2003
Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road Suite 1
Anchorage, Alaska 99507

Dear Ms. Valle:

It has come to my attention that Alaska Statute 14.300.600 – 660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As a school district superintendent, I want to put my support for SESA's reauthorization on the record. The services SESA makes available to my district must be continued if we are to provide appropriate special education programs as mandated for our students with low incidence disabilities. We cannot be expected to acquire teachers with the specialized training and experience needed to design and implement severe disability programs.

I am concerned that without the in-district and distance support SESA provides our teachers and aides, we would face new costs for special education hearings and/or litigation, or would be forced to place students in very costly out-of-district or out-of-state residential programs at district expense.

SESA has been a successful and efficient innovation for sharing of scarce resources and offers an economy of scale rarely provided small and rural districts. If anything, the state might consider applying the SESA model to other statewide needs, rather than allow it to expire.

Sincerely,

Susan J. Sciabbarrasi
Superintendent

CC. Representative Peggy Wilson
Roger Sampson, Alaska Commissioner of Education
State Board of Education

SITKA SCHOOL DISTRICT

www.ssd.k12.ak.us

300 Kostrometinoff
Sitka, Alaska 99835
Phone: (907) 747-8622
Fax: (907) 966-1260



September 19, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road Suite 1
Anchorage, AK 99507

Dear Ms. Valle,

When the Alaska Legislature established Special Education Service Agency (SESA) to help school districts provide mandated services in special education, this was a terrific decision. Now it is my understanding that Alaska Statute 14.300.600-660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, SESA will be dissolved.

With the decline in enrollment, which in turn means a decline in budget, districts are faced with difficulties in meeting the needs of all special education students. Even though the enrollment is decreasing, in many areas the percentage of students with low incidence disabilities is increasing, which creates difficulties. Besides the decrease in enrollment it is becoming increasingly difficult to find educators that have the qualifications needed to work with many of these students. SESA is a great resource for this reason.

If SESA was dissolved there would definitely be a cost increase to the district due to providing special education services to students in out of district facilities or also due to litigation. Both of which would be at district expense.

I strongly encourage you to give your highest consideration to continue and to fully fund SESA in any possible manner.

Sincerely,

Steve Bradshaw
Superintendent

"Educating Today's Children to Become Tomorrow's Leaders"

NOME PUBLIC SCHOOLS

Box 131, Nome, Alaska 99762 • FAX: (907) 443-5144 • Telephone (907) 443-2231



September 17, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road Site 1
Anchorage, Alaska 99507

Dear Ms. Valle:

It has come to my attention that Alaska Statute 14.300.600-660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

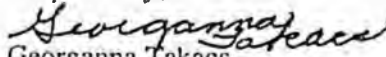
As Director of Special Education in a school district receiving SESA services, I would like my support for reauthorization noted on record. The services SESA makes available to my district and our students with low incidence disabilities must be continued if we are to provide appropriate special education programs as mandated by law. We cannot be expected to acquire teachers with the specialized training and experience needed to design and implement severe disability programs.

I am very concerned that without the in-district and distance support SESA provides our teachers, aides and parents, we will find ourselves in costly special education hearings and/or litigations. There is also the possibility that it would become necessary to place students in out of district residential programs that would be extremely costly to the district.

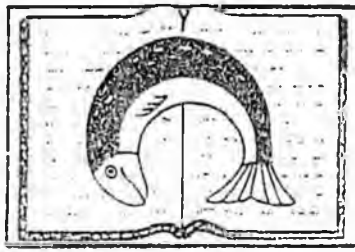
In addition to the highly qualified personnel SESA provides to our districts, they also offer an array of resources through their lending library. This service alone has saved our district a huge amount of money.

Please support the renewal of the above statute and allow us to continue receiving the support afforded us by SESA.

Respectfully,


Georganna Takacs
Director of Special Education
Nome Public Schools

Cc: Representative Richard Foster
Senator Donald Olson
Commissioner of Education Roger Sampson
State Board of Education Richard Mauer, Chair



Lower Kuskokwim School District

Special Education Department
P.O. Box 305 • Bethel, Alaska 99559-0305
907 543-4871/4872 FAX 907 543-4931

September 15, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, AK 99507

Dear Ms. Valle:

It has come to our attention that Alaska Statute 14.300.600-660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

We currently receive services from SESA in the specialized areas of Assistive Technology and Deaf/Hard of Hearing. These services are extremely beneficial for some of our special education students with low incidence disabilities. Given the present market, we are not always able to hire special education teachers with the specialized training and experience needed to design and implement these programs. By providing training to our teachers and paraprofessionals, SESA helps us provide the required elements of a compliant special education program for these low incidence students. Another important benefit our district receives from SESA is their participation as speakers in our regional special education inservice each fall. Professionals and parents from throughout the region benefit from the SESA staff's expertise in the areas of low incidence disabilities.

Over the years, SESA has been a successful and efficient resource for both direct services and staff development in our district. Lower Kuskokwim School District wants to emphasize the benefit of SESA's services and document our support for SESA's reauthorization.

Sincerely,

A handwritten signature in cursive script that reads "William A. Ferguson".

William Ferguson, Superintendent

A handwritten signature in cursive script that reads "Linae Sanger".
Linae Sanger, Special Education Director

cc: YOUR DISTRICT LEGISLATIVE DELEGATION
Alaska Commissioner of Education
State Board of Education

North Slope Borough School District



September 10, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, AK 99507

Dear Ms. Valle:

It has come to my attention that Alaska Statute 14.300.600 – 660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As a school district superintendent, I want to put my support for SESA's reauthorization on the record. The services SESA makes available to my district must be continued if we are to provide appropriate special education programs as mandated for our students with low-incidence disabilities. We cannot be expected to acquire teachers with the specialized training and experience needed to design and implement sever disability programs.

I am concerned that without the in-district and distance support SESA provides our teachers and aides, we would face new costs for special education hearings and/or litigation, or would be forced to place students in very costly out-of-district or out-of-state residential programs, at district expense.

SESA has been a successful and efficient innovation for sharing of scarce resources and offers an economy of scale rarely provided small and rural districts. If anything, the state might consider applying the SESA model to other statewide needs, rather than allow it to expire.

Sincerely,

Dr. Michael M. Smith,
Superintendent

H:\nn\michael\letters\04-28.doc



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



Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, Alaska 99507

September 11, 2003

Dear Ms. Valle:

Recently I learned that Alaska Statute 14.300.600-600, that created the Special Education Service Agency, is scheduled to sunset at the end of June, 2004. I am writing to the SESA Board of Directors to share my observations of what SESA has provided to our school district and to express my support for the reauthorization of SESA.


The Lake and Peninsula School District serves a small number of students spread across a large number of widely separated sites. Sprinkled among our isolated school sites, each year, are children who experience intensive disabilities or severe challenging behavior. A district of our size cannot afford to hire the specialized staff who are needed to build effective programs for these children. SESA program specialists provide our district with expertise in autism, positive behavior supports, specialized instruction, specialized materials and adaptive equipment. In addition, the SESA library provides our special educators and parents with a cost-effective way to access special education materials that are too expensive for a small district or individual family to purchase.

Without the support of SESA program specialists and the SESA library, the special education programs for children with intensive needs and severe challenging behavior in our district would not be as effective as they are today. Interestingly, by providing specialized support to small districts such as ours, SESA saves Alaska money. Programs for students with intensive needs that are ineffective become targets of legal challenge. School districts embroiled in legal challenges from advocates for children with disabilities must divert significant resources to defend themselves. SESA helps even small districts offer the highest quality programs that we can to our disabled students.

The Lake and Peninsula School District supports continued funding of the Special Education Service Agency. SESA provides essential services that make a difference.

Please share this letter with legislators and other individuals involved in determining SESA's future. Thank you for the many years of high quality support that SESA has provided to students, teachers and parents in the Lake and Peninsula School District.

Sincerely,


Steve Atwater, Superintendent

Chignik Bay • Chignik Lagoon • Chignik Lake • Egegik • Igiugig • Ivanof Bay • Kokhanok • Levelock
Newhalen • Nondalton • Pedro Bay • Perryville • Pilot Point • Port Alsworth • Port Heiden

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road Suite 1
Anchorage, Alaska 99507

Dear Ms. Valle:


I have recently become aware that Alaska Statute 14.300.600 – 660 is scheduled to sunset on June 30, 2004. Without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be no more. This is a great concern to small and large school districts here in Alaska.

I support SESA's reauthorization. Being the school superintendent for St. Mary's City Schools, I have found that the services SESA makes available to my district must be continued if we are to provide appropriate special education programs as mandated for our students with low incidence disabilities. Here in the bush, districts cannot be expected to acquire teachers with the specialized training and experience needed to design and implement severe disability programs. We desperately need these critical services which are provided to us by SESA!

There is no doubt that without the in-district and distance support SESA provides our teachers and aides, we would face huge new costs for special education hearings and/or litigation. We could be forced to place students in very costly out-of-district or out-of-state residential programs. These are expenses that our district can ill afford.

SESA is a successful and efficient organization to share scarce resources and offers quality services provided to small and rural districts. Please assure that this critical service to bush Alaska school districts is continued.

Sincerely,



Dr. Kathryn Godinet,
Superintendent

cc: Alaska Commissioner of Education
State Board of Education



Klawock City School District

P.O. Box 9 Klawock, Alaska 99925 907-755-2220 Fax: 907-755-2913

Richard E. Carlson
Superintendent

Donald H. Busse
K-12 Principal

September 3, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road Suite 1
Anchorage, Alaska 99507

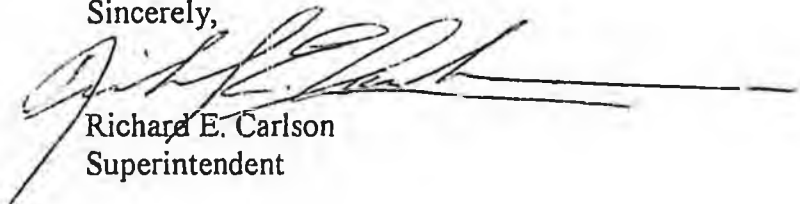
Dear Ms. Valle:

As you are aware the Alaska Statute 14.300.600 – 660 is scheduled to sunset on June 30, 2004 and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As superintendent of a small school district, I want to put my support for SESA's reauthorization on the record. The services SESA makes available to my district must be continued if we are to provide appropriate special education programs as mandated for our students with low incidence disabilities. We cannot be expected to acquire teachers with the specialized training and experience needed to design and implement severe disability programs.

SESA has been a successful and efficient innovation for sharing of scarce resources and offers an economy of scale rarely provided small and rural districts. If anything, the state might consider applying the SESA model to other statewide needs, rather than allow it to expire.

Sincerely,



Richard E. Carlson
Superintendent

Cc: Cindy Mills, Board President
Alaska Commissioner of Education

MEETING TOMORROW'S CHALLENGES TODAY
klawock.k12.ak.us



SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569 Thorne Bay, Alaska 99919
(907) 828-8254 Fax: (907) 828-8257 darensman@sisd.org

President Gayla Valle
Board of Directors
Southeast Education Service Agency

Dear Ms. Valle:

The Special Education Service Agency has provided excellent services to the low incidence students in Alaska. In my role as superintendent and special education director for Southeast Island School District I am writing to urge the reauthorization of Alaska Statute 14.300.600-660, which will sunset on June 30, 2004.

My district is small and has only a few low incidence students. It would seem to be impossible for small districts such as SISD to provide the high quality services now performed by SESA. Even when I was in Bering Strait School District, a large school district, we relied on SESA for services.

To pull the SESA services from districts will be an injustice to the students who benefit now.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy Arensman".

Dorothy Arensman, Ed.D.

Cc: Legislative delegation
Alaska Commissioner of Education
State Board of Education



BRISTOL BAY BOROUGH SCHOOL DISTRICT

P. O. BOX 169
NAKNEK, ALASKA 99633

KELLY W. CASTLEBERRY
PRINCIPAL
PHONE: (907) 246-4265
FAX: (907) 246-4447
E-MAIL: kcastleberry@nnk.gciso.net

RICHARD D. HEBHARDT
SUPERINTENDENT
PHONE: (907) 246-4225
FAX: (907) 246-6857
E-MAIL: rhebhardt@nnk.gciso.net

October 27, 2003

Ms. Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, Alaska 99507

Dear Ms. Valle:

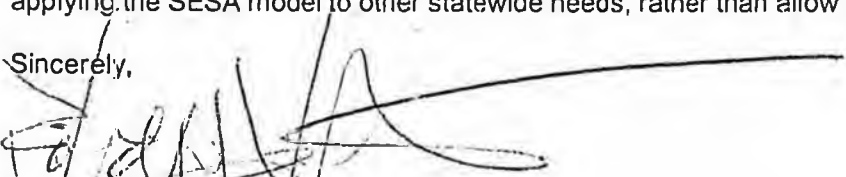
It has come to my attention that Alaska Statute 14.300.600-660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As a school district superintendent, I want to put my support for SESA's reauthorization on the record. The services SESA makes available to my district must be continued if we are to provide appropriate special education programs as mandated for our students with low incidence disabilities. We cannot be expected to acquire teachers with the specialized training and experience needed to design and implement severe disability programs.

I am concerned that without the in-district and distance support SESA provides our teachers and aides, we would face new costs for special education hearings and/or litigation, or would be forced to place students in very costly out-of-district or out-of-state residential programs, at district expense.

SESA has been a successful and efficient innovation for sharing of scarce resources and offers an economy of scale rarely provided small and rural districts. If anything, the state might consider applying the SESA model to other statewide needs, rather than allow it to expire.

Sincerely,



Richard D. Hebardt
Superintendent of Schools

Cc: Alaska Commissioner of Education



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Office of Superintendent

Dr. Donna Peterson, Superintendent of Schools
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 262-5846 Fax (907) 262-9132

September 9, 2003

Ms Gayla Valle, President
Board of Directors
Special Education Service Agency
2217 East Tudor Road, Suite 1
Anchorage, Alaska 99507

Dear Ms. Valle:

I have been told that Alaska Statute 14.30.600-660 is scheduled to sunset on June 30, 2004, and without reauthorization by the Legislature, the Special Education Service Agency (SESA) will be dissolved.

As a school district superintendent, I want to support SESA's reauthorization. However, that support is contingent on SESA's services being available to all school districts within the state. Currently, SESA restricts its services to small rural school districts. Many districts in this state, this one included, serve both urban and rural communities. We have children located in rural communities with low incidence special education needs who require specialized services that are not available in these communities. Because of the low incidence of these children, they are not easily served by this district, and yet, SESA's services have not been available to us.

SESA has been a successful and efficient model for sharing scarce resources and has offered an economy of scale for small and rural districts. SESA needs to expand its scope of services to include all Alaska school districts. We believe there is nothing in AS 14.30.640 which would prohibit this expansion of services. However, it will take an intentional act on the part of the Board and Administration to make this expansion happen.

In summary, KPBSD supports the concept and model represented by SESA. It offers an effective model of service for small and rural communities. We however, support its continuation only if its services are made available to all Alaskan school districts.

Sincerely,

Donna Peterson, Superintendent
Superintendent of Schools

Cc: Roger Sampson, Commissioner of Education
State Board of Education
Legislative Delegation

SESA Outreach Methods by School District

Districts	Web Site	Newsletter	Library	Training	APHS	Schl Consul	Student Consul	Video Consult
Alaska Gateway
Aleutian Region
Aleutians East
Anchorage	NA	NA	.
Annette Island
Bristol Bay
Bering Strait
Chatham
Chugach
Copper River
Cordova
Craig
Delta/Greely
Denali
Dillingham
Fairbanks	NA	NA	.
Galena
Haines
Hoonah
Hydaburg
Iditarod
Juneau	NA	NA	.
Kake
Kashunamiut	√
Kenai	NA	NA	.
Ketchikan
Klawock
Kodiak	√
Kuspuk
Lake and Penn
Lower Kuskokwim	X	X	.
Lower Yukon
Mat-Su	NA	NA	.
Mt. Edgecumbe
Nenana
Nome
North Slope	X	X	√
Northwest Arctic
Pelican
Petersburg
Pribilof
Sitka	X	X	.
Skagway
Southeast Island
St. Mary's
Southwest Region
Tanana
Unalaska
Valdez
Wrangell
Yakutat
Yukon Flats
Yukon/Koyukuk
Yupit	√

• = now provided or available √ = pending X = varies w/disability NA = not provided

SESA Outreach Methods

SESA employs a variety of methods to support the education of students with low incidence disabilities in all Alaskan schools and infant learning programs.

Because student-specific consultation is by far the most costly approach, that service is reserved under statute for districts with very low enrollments of eligible students. The agency further reduces the need for student-specific service by delivering a comprehensive menu of topical trainings and material resources, and provides technical assistance through its web site, newsletters, and library to allow any Alaskan educator or parent user-initiated access to information about low incidence disabilities and the effective education of students with those disabilities.

Hierarchy of Services

Lower Cost with Higher Recipient Numbers (to all districts & all infant learning programs):

- Web Site
- Newsletters
- Library
- American Printing House for the Blind

Mid-Cost with Mid-Level Recipient Numbers (to all districts & all infant learning programs):

- State Level Trainings
- Regional/Multi-District Trainings
- District/Program Level Trainings

Higher Cost with Lower Recipient Numbers:

- District-Wide Consultations (to districts exceeding student-specific numbers)
- School-Wide Consultations (to schools exceeding student-specific numbers)
- Student-Specific Consultations (to schools/districts with low enrollments; to all infant learning programs)

Lower Cost with Lower Recipient Numbers (newly developing):

- Videoconference Consultations (to schools with low enrollments and having videoconference capacity)

- To Be Developed: Videoconference Trainings (to all schools having videoconference capacity)

SB

289

SFIN

FILE