

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3352

234

**SB**

**130**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/07

FURTHER:

REPORTED OUT  
APR 02 2007  
SENATE FINANCE COMMITTEE

DATE TURNED IN TO OFFICE: 2 April 2007

Finance Committee considered SENATE BILL NO. 130

## SB 130 RANCH, FARM, DAIRY VEHICLE REGISTRATION

"An Act relating to the registration of certain vehicles owned by ranchers, farmers, or dairy workers."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

**SENATE BILL:**  
 Same Title  
 New Title  
 \_\_\_\_\_

**HOUSE BILL:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

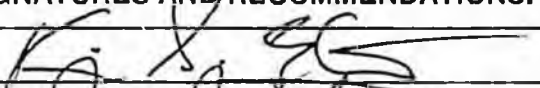
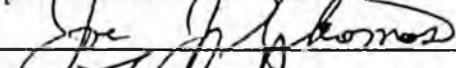



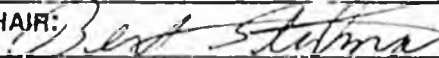
**NEW FISCAL NOTE(S):**

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

Department	Date	Fiscal	Indet.	Zero	FN#
Admin.	3/22/07			✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Eitzen	✓			
	Thomas	✓			
	Dyson	✓			
	Huggins	✓			
	Olson			✓	
CO-CHAIR:					
	Stedman	✓			

# FISCAL NOTE

REPORTED OUT  
**APR 02 2007**  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2007 LEGISLATIVE SESSION

Fiscal Note Number: 1  
 Bill Version: SB 130  
 (S) Publish Date: 3/28/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: "An Act relating to the registration of certain vehicles owned by ranchers...." RDU: Division of Motor Vehicles  
 Component: Motor Vehicles  
 Sponsor: Sen Green  
 Requester: (S) TRA Component No.: 2348

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0
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**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill will change the maximum weight of a vehicle allowable for 'Farm vehicle' registration.

The DMV does not expect any change in revenue as the total quantity is not anticipated to increase measurably. Also, as the data input process today is done manually and the reprogramming will be done in-house, there are no expected costs in changing the weight limit.

Prepared by: Duano Bannock, director  
 Division: Motor Vehicles  
 Approved by: Kevin Brooks, Deputy Commissioner  
 Agency: Department of Administration

Phone: 269 5559  
 Date/Time: 3/23/07 3:00pm  
 Date: 3/23/07 4:30pm

# ALASKA STATE LEGISLATURE

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## SENATOR LYDA GREEN PRESIDENT OF THE SENATE

### SPONSOR STATEMENT

SB 130 – “An Act relating to the registration of certain vehicles owned by ranchers, farmers, or dairy workers.”

AS 28.10.181 establishes criteria for the registration of unique and special vehicles, such as vehicles owned by veterans, government entities, elected officials, and farmers. SB 130 was introduced to amend the maximum unladen gross weight of a vehicle that can qualify for special farm plates.

Current statute allows any highway-approved vehicle to be registered as a farm vehicle and receive specialized farm plates if it is owned by a farmer, rancher or dairyman. Farm plates were designed to facilitate the operations of farmers and give them a reduced fee for plates subject to certain restrictions. They are available for vehicles that have an unladen gross weight not to exceed 16,000 lbs. In addition, these vehicles must be used for:

- The transportation of a person's own farm, ranch or dairy products to and from the market;
- The transportation of supplies, commodities or equipment to be used on the farm, ranch or dairy.

Prior to 1978, farm plates were available for vehicles up to 12,000 lbs. That limit was raised to 16,000 lbs., probably for the simple reason that mainstream pick-up trucks used for farm work had increased in size and weight. For the same reason, this bill proposes to raise the maximum unladen gross weight of farm vehicles from 16,000 lbs. to 20,000 lbs. Many heavy duty work trucks, cargo vans and delivery trucks manufactured today exceed 16,000 lbs. gross weight. The passage of SB 130 will conform state law to address the size of modern vehicles sold for farm, ranch and dairy work.

Sec. 28.10.181. Registration of unique and special vehicles and vehicles used for special purposes.

(a) The department shall register unique and special vehicles and vehicles used for special purposes and issue registration plates as provided in this section. Notwithstanding other provisions of this chapter, registration plates issued under this section remain with the person or organization to whom they are issued when vehicle ownership is transferred or title or interest in the vehicle is assigned, except for plates issued under (b), (h) and (i) of this section. Registration plates issued under this section may not be used on, or transferred to, a vehicle other than the vehicle for which the plates are issued without the approval of the department and payment of any required fees and taxes prescribed in AS 28.10.421 (d), 28.10.431, and 28.10.441. Registration plates issued under this section to which a person is no longer entitled or the transfer of the plates to another vehicle that the department does not approve shall be returned immediately to the department by the person or organization to whom the plates were originally issued.

(b) Historic vehicles. The owner of a historic vehicle may make application for special registration under this subsection. The department, when satisfied that the vehicle meets the requirements for historic vehicle registration under regulations adopted by the commissioner, shall register the vehicle and (1) issue two permanent registration plates of distinctive design and color bearing no date; vehicles qualifying for registration under this paragraph shall be issued registration plates numbered in a separate numerical series beginning with "Historic Vehicle No. 1"; or (2) allow the vehicle to use registration plates of this state supplied by the vehicle owner that correspond to the year the vehicle was manufactured if the vehicle was manufactured 30 or more years before the year of application. Registration plates issued under this subsection remain with the vehicle as long as the vehicle is registered under this subsection.

(c) Special request plates. Upon application by the owner of a motor vehicle, the department shall design and issue registration plates containing a series of not more than six letters or numbers or combination of letters and numbers as requested by the owner. The department may, in its discretion, disapprove the issuance of registration plates under this subsection when the requested symbols are a duplication of an existing registration or when the symbols are considered unacceptable by the department.

(d) Vehicles owned by veterans with disabilities, including persons disabled in the line of duty while serving in the Alaska Territorial Guard, or other persons with disabilities. Upon the request of a person with a disability that limits or impairs the ability to walk, as defined in 23 C.F.R. 1235.2, the department shall (1) register one motor vehicle in the name of the person without charge; and (2) issue a specially designed registration plate that displays (A) recognition of the disabled veteran if the applicant's disability originated from the applicant's service with the Alaska Territorial Guard or the armed forces of the United States; (B) the international symbol of accessibility (the wheelchair logo); and (C) if the applicant is a veteran, the Alaska and United States flags and red, white, and blue colors. A person who is not otherwise qualified under this subsection, but who meets the qualifications of a disabled veteran under AS 29.45.030(i),

may register one motor vehicle without charge, and the department shall issue a specially designed registration plate that displays recognition of the disabled veteran that does not display the international symbol of accessibility and does not carry with it special parking privileges. For purposes of this subsection, proof of disability may be provided by a person licensed as a physician or physician assistant under AS 08.64 or as an advanced nurse practitioner under AS 08.68.

(e) Vehicles owned by the state, municipalities, and charitable organizations of the state. Every certificate of registration and registration plate issued to the state, a municipality, or charitable organization of the state is in effect until the vehicle for which the registration certificate and plate were issued is no longer owned and operated by the state, the municipality, or the charitable organization of the state or until the department, in its discretion, declares its expiration. The state, municipality, or charitable organization of the state shall maintain a current listing of all vehicles registered to it in the order of the registration number assigned to each vehicle, and shall provide a copy of the listing to the department upon request. The listing must include a description of each vehicle and other identifying information required by the department. Registration plates issued under this subsection must be of a distinctive design and numbering system. For the purposes of this subsection, "charitable organization" means a nonprofit association, corporation, society, or other entity organized, incorporated, or headquartered in the state for educational, cultural, scientific, or other charitable purposes, as prescribed in regulations of the department.

(f) Vehicles owned by elected state officials. The department shall issue special registration plates to each incumbent elected state official for display on motor vehicles owned and driven by the official except that the plates may not be displayed on a vehicle that is visually identifiable as a commercial vehicle. The department shall number or design the plates so that registration by an elected state official is indicated upon the plates. The registration plates issued under this subsection may remain on the vehicle only during the official's term of office.

(g) *[Repealed, Sec. 9 ch 20 SLA 1990].*

(h) Vehicles owned by ranchers, farmers, and dairymen. A vehicle not exceeding an ~~unladen~~ ~~total~~ ~~gross~~ ~~weight~~ of 16,000 pounds, owned by a person deriving the person's primary source of livelihood from the operation of a ranch, farm, or dairy where the person resides full-time, and that is used exclusively to transport (1) the person's own ranch, farm, or dairy products, or greenhouse or nursery products, including vegetables, plants, grass seed, sod, or tree seedlings, to and from the market, or (2) supplies, commodities, or equipment to be used on the person's ranch, farm, or dairy, or in the person's greenhouse or nursery, may be registered under this subsection and may be issued registration plates of a distinctive design or system of numbering.

(i) Amateur mobile radio station vehicles. A validly licensed amateur radio operator who presents satisfactory proof that the owner holds an unexpired Federal Communications Commission amateur radio operator's license of any renewable class,

and who presents satisfactory proof that the vehicle contains or carries an amateur radio transmitter and receiving unit of a type applicable to the license class applied for, and who is permitted by law to operate a fixed station, may register one amateur mobile radio station vehicle for each radio license issued by the federal government and may receive for the vehicle distinctive registration plates instead of regular registration plates. The number on the plates must be the radio call sign of the owner.

(j) Vehicles owned by dealers. A state-registered and bonded vehicle dealer may apply for dealer registration plates. A plate issued under this subsection may be used only on dealer-owned vehicles during the routine and normal course of the dealer's business, excluding service vehicles, or for transporting an unregistered vehicle from a port of entry to the dealer's facilities or from one dealer to another or, in the case of a house trailer, from the retail facility to a trailer space. A vehicle permitted to have dealer plates must be affixed with two plates issued under this subsection. If the dealer sells or transfers the vehicle, the dealer plates may be used on the vehicle by the new owner or transferee for a period of not more than five days after the sale or transfer. The department may seize the dealer plates if it has reason to believe that the plates are being used to defeat the purposes of, or are in violation of, this chapter.

(k) *[Repealed, Sec. 3 ch 8 SLA 1993].*

(l) Vehicles owned by Pearl Harbor survivors and former prisoners of war. The department, upon receipt of written proof, shall issue without charge special registration plates for one noncommercial motor vehicle to a person who was on active military duty in Pearl Harbor on December 7, 1941, or who has been a prisoner of war during a declared war or other conflict, as determined by the Department of Defense under federal regulations. The design and color of the Pearl Harbor survivor or prisoner of war plates shall be solely within the discretion of the commissioner.

(m) Special request plates for Alaska National Guard personnel. Upon application by the owner of a motor vehicle who presents satisfactory proof of current membership in the Alaska National Guard, the department may design and issue registration plates that identify the vehicle as registered to a member of the Alaska National Guard.

(n) *[Repealed, Sec. 9 ch 20 SLA 1990].*

(o) Special request university plates. Upon application by the owner of a motor vehicle, the department may design and issue registration plates representing the University of Alaska Anchorage, University of Alaska Fairbanks, University of Alaska Southeast, or Prince William Sound Community College. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

(p) Vehicles owned by veterans. The department, upon receipt of written proof that the veteran is a sole or joint owner of a motor vehicle, shall issue special registration plates for the motor vehicle to a requesting person who is a veteran or retired veteran of

the armed forces of the United States. The commissioner, after consulting with the person in the Department of Military and Veterans' Affairs in charge of veterans' affairs, shall determine the design and color of the veteran or retired veteran plates.

(q) Vehicles owned by recipients of the Purple Heart. The department, upon receipt of written proof that the person is the sole or joint owner of a motor vehicle, shall issue special registration plates for the motor vehicle to a requesting person who has received the Purple Heart medal awarded for wounds suffered in action against an armed enemy or as a result of the hostile action of an armed enemy. The commissioner, after consulting with the person in the Department of Military and Veterans' Affairs in charge of veterans' affairs, shall determine the design and color of the Purple Heart medal recipient plates.

(r) Special request custom collector plates. Upon application by the owner of a custom collector vehicle, the department may design and issue registration plates appropriate for custom collector vehicles. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

(s) Special request dog mushing plates. Upon application by the owner of a motor vehicle, the department may design and issue registration plates representing the sport of dog mushing in the state. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

(t) Special request Alaska children's trust plates. Upon application by the owner of a motor vehicle, the department may design and issue registration plates representing the Alaska children's trust under AS 37.14.200. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

(u) Special request plates commemorating the arts. Upon application by the owner of a motor vehicle, the department may issue registration plates commemorating the arts. The commissioner, after consulting with the Alaska State Council on the Arts, shall determine the design and color of plates commemorating the arts. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

(v) *[Repealed, Sec. 4 ch 11 SLA 2002].*

(w) Special request plates commemorating Alaska veterans. Upon application by the owner of a motor vehicle, the department may issue registration plates commemorating Alaska veterans. The commissioner shall determine the design and color of plates commemorating Alaska veterans. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

State of Alaska Division of Motor Vehicles Standard Operating Procedures	SOP No.: R-60	Page No.: 1
	Effective: March 14, 2006	
Subject:	Supersedes: R-60	Dated: 2/14/01
<b>FARM VEHICLES</b>	Form No.: 812, 821	
Statute: AS 28.10.181 (h); AS 28.10.421 (E) (6) Regulation: AAC		

Vehicles owned by ranchers, farmers, dairymen as well as greenhouses and nurseries may qualify for "Farm" license plates or reduced fees provided they meet all of the following requirements:

1. The vehicle does not exceed 16,000 pounds unladen weight. Weight must be entered in ALVIN AND
2. Vehicle must be owned by a person (Per AS 01.10.060, "persons" include a corporation, company, or any other business entity. A business may qualify for Farm plates if the business address is at the farm, ranch, dairy, nursery or greenhouse.) deriving their primary source of livelihood from the operation of a ranch, farm, dairy, nursery or greenhouse that is used exclusively to transport:
  - the person's own ranch, farm, or dairy products, or greenhouse or nursery product, including vegetables, plants, grass seed, sod, or tree seedlings, to and from the market, or supplies, commodities, or equipment to be used on the person's ranch, farm, or dairy, or in the person's greenhouse or nursery.

**APPLICATION REQUIREMENTS:**

1. Applicant must be either the sole or joint owner of a non-commercial vehicle. Leased vehicles are not eligible for farm plates.
2. Application for Title & Registration (Form 812) or Vehicle Transaction Application (Form 821).
3. A statement in the affidavit or comments section of the application is required. It must state:
  - The person's full-time residence is on the ranch, farm, or dairy\* AND
  - They derive their main source of income from such AND
  - They wish to obtain Farm plates.
4. Other requirements of registration if the vehicle is not currently registered.

\*The owner of a greenhouse or nursery is not required to attest to the first statement.

CLASS	VEHICLE TYPE	HV	BIENNIAL REGISTRATION	MVRT	I/M	PLATE / TRANSFERABLE
61	Any (Under 16,000)	Y	\$68	N	Y	Farm/Standard* N**

\*When the current supply of FARM plates have been exhausted, issue standard plates.

\*\*If a vehicle with FARM plates is sold, the vehicle owner must meet all of the requirements and make the statements as per an original request in order to keep the FARM plates on the

vehicle.

WHEN A VEHICLE WITH FARM PLATES (OR CLASS 61 WITH STANDARD PLATES) IS SOLD, AND THE PURCHASER DOES NOT MAKE THE REQUIRED STATEMENTS TO RETAIN THE FARM CLASS CODE, REGISTRATION STARTS OVER AND ALL FEES ARE REQUIRED

Plate Configuration: 4 numbers followed by FA (FARM imprinted on bottom of plate) If Standard plates were issued, 3 alpha / 3 numeric

Cross Reference:

<a href="#">Appendix A</a>	DMV Addresses	<a href="#">T-090</a>	Temporary Permits
<a href="#">R-107</a>	Heavy Vehicle Use Tax		
<a href="#">R-430</a>	Emission Control Inspection Program		

NEXT SOP

[Return to Top](#) / [Go to Index](#) - [Accounting](#), [Boat](#), [DL](#), [CDL](#), [Registration & Title](#)

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 3/21/07

FURTHER: Finance

Date of 5-Day Notice: 3/22/07  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3/27/07

Transportation Committee considered SENATE BILL NO. 130

**SB 130 RANCH, FARM, DAIRY VEHICLE REGISTRATION**

"An Act relating to the registration of certain vehicles owned by ranchers, farmers, or dairy workers."

and recommends:

be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)

adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)

attached amendment(s)

adopt \_\_\_\_\_ Letter of Intent

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#
ADM	3/23/07			✓	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>John Cowdery</i>	Wielechowski	✓			
<i>John Wilken</i>	Cowdery				
<i>Frank Olsen</i>	Wilken			X	
	Olsen			✓	
CHAIR: <i>Kookesh Alluri</i>	Kookesh	✓			

**SB**

**134**

**SFIN**

**FILE**

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 3/21/07

FURTHER: Finance

Date of 5-Day Notice: 4/12/07  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4/24/07

State Affairs Committee considered SENATE BILL NO. 134

**SB 134 FUNDING SHORTFALL POLICY**

"An Act relating to the policy of the state regarding the state budget and the source of funding used to cover a shortfall in general fund revenue."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- 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#
GOV	04/17			✓	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
<i>[Signature]</i>	French				✓
<i>[Signature]</i>	Green			✓	
<i>[Signature]</i>	Burke	✓*			
<i>[Signature]</i>					
CHAIR: <i>[Signature]</i>	McGuire			✓	

\* corrected to "do pass" on floor 4/30/07

# FISCAL NOTE

STATE OF ALASKA  
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 134  
(S) Publish Date: 4/25/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: All  
Title State budget policy RDU \_\_\_\_\_  
Component \_\_\_\_\_  
Sponsor Sen. Wilken  
Requester Sen. State Affairs Committee Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would amend the Executive Budget Act to state that it is the "policy of the state that the amounts necessary to cover a projected shortfall in general fund revenue during a fiscal year be appropriated equally from the constitutional budget reserve fund and the earnings reserve account.

This policy statement would not be legally binding on the Governor or Legislature; therefore, this legislation would not have a significant fiscal impact on any State agency.

Prepared by: Jack Kreinheder, Senior Analyst Phone 465-4676  
Division Office of Management and Budget Date/Time 4/17/07 10:13 AM  
Approved by: Karen J. Rehfeld, Director Date 4/17/2007  
Agency Office of Management and Budget

COMMITTEE COPY

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 3/21/07

FURTHER: Finance

Date of 5-Day Notice: 4/12/07  
 (in accordance with Uniform Rule 23)

DATE TURNED  
 IN TO OFFICE: 4/24/07

State Affairs Committee considered SENATE BILL NO. 134

**SB 134 FUNDING SHORTFALL POLICY**

"An Act relating to the policy of the state regarding the state budget and the source of funding used to cover a shortfall in general fund revenue."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
<b>HOUSE BILL:</b>	
<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#
GOV	04/17			✓	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	French				✓
	Green			✓	
	Bunker	✓ *			
CHAIR:	McGuire			✓	

\* corrected to "do pass" on floor 4/30/07

**SENATE COMMITTEE REPORT  
First Committee of Referral**

*Pull + Replace  
Senator Bunde  
changed vote  
on floor  
4/30/07*

DATE: 3/21/07

FURTHER: Finance

Date of 5-Day Notice: 4/12/07  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4/24/07

State Affairs Committee considered SENATE BILL NO. 134

**SB 134 FUNDING SHORTFALL POLICY**

"An Act relating to the policy of the state regarding the state budget and the source of funding used to cover a shortfall in general fund revenue."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
<b>HOUSE BILL:</b>	
<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#
GOV	04/17			✓	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

*FYI -  
SB 134 has not  
rec'd any "do pass"  
recommendations  
from prior coms.*

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	French				✓
<i>[Signature]</i>	French			✓	
<i>[Signature]</i>	Green			✓	
<i>[Signature]</i>	Bunde				
CHAIR: <i>[Signature]</i>	McGuire			✓	

**SB**

**137**

**SFIN**

**FILE**

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 3/23/07

FURTHER: Finance

Date of 5-Day Notice: 4/4/07  
 (in accordance with Uniform Rule 23)

DATE TURNED  
 IN TO OFFICE: 4/10/07

Transportation Committee considered SENATE BILL NO. 137

SB 137 LAND TRANSFERS ALASKA RR & DOTPF

"An Act authorizing two exchanges of land between the Alaska Railroad Corporation and the Department of Transportation and Public Facilities; and providing for an effective date."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
<hr/>
<b>HOUSE BILL:</b>
<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#
<i>DOT</i>	<i>4/4/07</i>			<input checked="" type="checkbox"/>	<i>1</i>

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
<i>[Signature]</i>	<i>Nielenhouski</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<i>Olsen</i>			<input checked="" type="checkbox"/>	
CHAIR: <i>[Signature]</i>	<i>Kookesh</i>	<input checked="" type="checkbox"/>			

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 137  
 (S) Publish Date: 4/10/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title Land Transfers Alaska RR & DOTPF RDU Admin and Support (3330)  
 Component Commissioner's Office  
 Sponsor Senate Transportation Committee  
 Requester STRA Component No. 530

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill has no financial impact on DOT&PF

Prepared by: Mary Siroky  
 Division: Commissioner's Office  
 Approved by: Leo von Scheben, Commissioner  
 Agency: Department of Transportation and Public Facilities

Phone 465-4772  
 Date/Time 4/04/07 3:50pm  
 Date 4/4/2007

**SB**

**144**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 MAY 11 2007  
 SENATE FINANCE COMMITTEE

DATE: 5/8/07

FURTHER:

DATE TURNED  
 IN TO OFFICE: 11 May 2007

Finance Committee considered SENATE BILL NO. 144

## SB 144 TOURISM CONTRACT MATCHING FUNDS

"An Act relating to matching funds in state tourism marketing contracts with trade associations."

and recommends:

be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)

adopt previous  SCS or  CS SB 144 (STA)

attached amendment(s)

adopt \_\_\_\_\_ Letter of Intent

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#
Commerce	5/9/07			✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	Eiton			✓	
	Thomas	✓			
	Dyson			✓	
	Huggins	✓			
	Clison			✓	
CO-CHAIR:	Hoffman			✓	
CO-CHAIR:	Stedman	✓			

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 MAY 11 2007  
 SENATE FINANCE COMMITTEE

DATE: 5/8/07

FURTHER:

DATE TURNED IN TO OFFICE: 11 May 2007

Finance Committee considered SENATE BILL NO. 144

## SB 144 TOURISM CONTRACT MATCHING FUNDS

"An Act relating to matching funds in state tourism marketing contracts with trade associations."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS SB 144 (STA)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- 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#
Commerce	5/9/07			✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Eiton			✓	
	Thomas	✓			
	Dyson			✓	
	Huggins	✓			
	Olson			✓	
CO-CHAIR:	Hoffman			✓	
CO-CHAIR:	Stedman	✓			

REPORTED OUT  
MAY 11 2007  
SENATE FINANCE COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
2007 LEGISLATIVE SESSION

Fiscal Note Number: SBI44CS(STA) COM OED 05 09 07  
 Bill Version: CSSB 144(STA)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Tourism Contract Matching Funds RDU Comm Assist & Ec Dev (405)  
 Component Office of Economic Development  
 Sponsor McGuire  
 Requester Senate State Affairs Component No. 2743

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 This legislation reduces from 50 percent to 30 percent the minimum amount Alaska's qualified trade association must provide as match for Alaska's tourism marketing campaign. The reduction in the match would not impact the department's cost to contract with the qualified trade association.  
  
 This legislation also establishes a nine-member Alaska Tourism Marketing Funding Task Force that would operate between September 1, 2007 and December 31, 2007 to recommend long-term funding solutions for the State's tourism marketing program. This fiscal note assumes travel and participation costs for all but the two members appointed by the Governor would be covered by the respective members for up to three in person meetings and three teleconferences. The department would provide for any travel costs for the department appointee and for the appointee by the Governor. Teleconference costs, and staff support to the Task Force and to prepare the report would be covered by the department with existing resources.

Prepared by: Bill Allen, Development Manager Phone 907.269.8112  
 Division Office of Economic Development Date/Time 5/9/07 1:52 PM  
 Approved by: Emil Notti, Commissioner Date 5/9/2007  
 Agency Commerce, Community, and Economic Development

# FISCAL NOTE

STATE OF ALASKA  
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSSB 144(STA)  
(S) Publish Date: 5/8/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
Title: Tourism Contract Matching Funds RDU: Comm Assist & Ec Dev (405)  
Component: Office of Economic Development  
Sponsor: McGuire  
Requester: Senate State Affairs Component No.: 2743

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation reduces from 50 percent to 10 percent the minimum amount Alaska's qualified trade association must provide as match for Alaska's tourism marketing campaign. This reduction in the match will not impact the department's cost to contract with the qualified trade association.

Prepared by: Bill Allen, Development Manager  
Division: Office of Economic Development  
Approved by: Emil Nolte, Commissioner  
Agency: Commerce, Community, and Economic Development

Phone 907.269.8112  
Date/Time 5/7/07 12:04 PM  
Date 5/7/2007

TO: Senate Finance Committee  
FR: Chip Thoma, Box 21884, Juneau, 99802  
RE: ATIA Tourism Funding, SB 144  
DATE: May 9, 2007

The state funding request by the Alaska Travel Industry Association (ATIA) is a **dramatic change** from past agreements in Alaska tourism promotion. Going from a 50-50% share to a **70-30% state-industry** split is a **fiscal departure** that should be based **both** on **demonstrated need** **and** a **logical advertising strategy** for the future. Yet neither situation has occurred; it's all speculative.

The ATIA **has failed to make the case** that its past state appropriations were well spent, or that increased 70-30 funding is the simple answer. Instead, ATIA blames the cruise ship initiative as the 'probable' cause of its funding woes, while ignoring the obvious **fact** that **private advertising** for cruises in Alaska now tops \$70M a year. **Market forces appear to be working naturally** to make the ATIA irrelevant in the big picture of advertising for a \$2B a year Alaska tourism industry. ASMI and other private, Alaska ads may total \$20M more, bringing the total, "other" spending on Alaska tourism to \$90M.

Governor Jay Hammond **defined the participation** for state funding of new industry over 3 decades ago; **no subsidies**. **ATIA should wake up**, and use its **considerable marketing skills** to raise monies for the **50% share agreement they now enjoy**, before it all dissolves in the wake of the **wealthy cruise industry**.

Please set an **appropriate** funding level and participation rate by the state and the tourism industry. Please reject SB 144 as an **inappropriate level of state tourism funding**, and return to the 50-50 share & participation rate. Thank you.

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAY 11 2007  
SENATE FINANCE COMMITTEE

DATE: 5/8/07

FURTHER:

DATE TURNED IN TO OFFICE: 11 May 2007

Finance Committee considered SENATE BILL NO. 144

## SB 144 TOURISM CONTRACT MATCHING FUNDS

"An Act relating to matching funds in state tourism marketing contracts with trade associations."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS SB 144 (STA)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

**SENATE BILL:**  
 Same Title  
 New Title

---

**HOUSE BILL:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

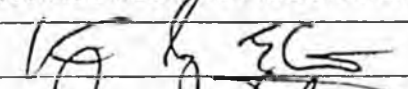

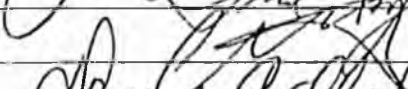
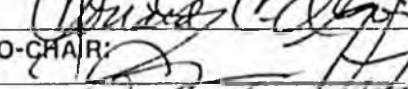



**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
Commerce	5/9/07			✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Eiton			✓	
	Thomas	✓			
	Dyson			✓	
	Huggins	✓			
	Olson			✓	
CO-CHAIR: 	Hoffman			✓	
CO-CHAIR: 	Stedman	✓			

# ALASKA STATE LEGISLATURE

Session  
State Capitol Building, Room 125  
Juneau, Alaska 99801-1182  
Phone (907) 465-2995  
Fax (907) 465-6592

Interim  
716 West Fourth Avenue, Suite 430  
Anchorage, Alaska 99501  
Phone (907) 269-0250  
Fax (907) 269-0249



Chair  
Senate State Affairs  
Administrative Regulation Review

Member  
Senate Judiciary Committee  
Senate Resources Committee

SENATOR LESIL MCGUIRE

## SPONSOR STATEMENT

### SB 144

*"An Act relating to matching funds in state tourism marketing contracts with trade associations."*

In 2001 the State of Alaska privatized the functions of the tourism marketing program by contracting with the Alaska Travel Industry Association. Prior to the current structure, Alaska's travel industry was promoted by a membership organization comprised of both private sector and state officials at significant cost to the State of Alaska.

Since that time, the Dept. of Commerce & Economic Development contracts with the Alaska Travel Industry Association (referred to in AS 44.33.125 as the Qualified Trade Association) to design and implement Alaska's tourism marketing program. Utilizing professional contractors and a multitude of marketing experts, thirty private sector representatives from large and small businesses volunteer hundreds of hours and contribute thousands of private sector dollars each year to develop and oversee this program.

State statutes currently require 50/50 matching funds; state general funds matched by private industry dollars. The recent passage of travel industry taxes has had the dual effect of generating significant involuntary revenues to the state's general fund AND eliminating the viability of voluntarily raising the private sector' dollars required to meet the 50% match.

The FY07 budget for the core tourism marketing program consisted of \$5.0 million in state funds matched by 5.0 million in private sector dollars to create a \$10.0 million marketing program. In FY08, it is anticipated that \$2 million is the maximum amount that can be raised in voluntary contributions towards the private sector match from Alaska travel industry businesses participating in marketing pay-to-play programs.

Further jeopardizing the travel industry's ability to successfully market Alaska and compete for travelers in the national and worldwide marketplace is the fact that inflation-adjusted data indicates that the State of Alaska's general fund support for tourism marketing has declined from \$23 million to \$5.7 million from 1990 to 2006.

In addition, the travel industry has historically identified a \$20 million core tourism marketing budget as the minimum necessary to regain Alaska's market share and retain the ability of the travel industry to grow Alaska's private sector economy.

Therefore, SB 144 will allow Alaska's travel industry to continue to receive state funds by temporarily changing the statutory match required in AS 44.33.125 from 50/50 to 70/30 reflecting the reality of the travel industry's ability to raise \$2.0 million in voluntarily private sector dollars to fund the core tourism marketing program. Additionally, SB 144 will create a 9 member Alaska Tourism Marketing Funding Task Force to operate from September through December, 2007 to investigate long term marketing funding solutions and submit a report to the Second Session of the 25<sup>th</sup> Alaska State Legislature.

SECTIONAL ANALYSIS  
SB 144

*"An Act relating to matching funds in state tourism marketing contracts with trade associations."*

**Section 1** - Amends AS 44.33.125(a) to change the matching fund requirement from 50% of the costs of the marketing campaign described in the contract to 30%.

**Section 2** - Amends AS 44.33.125(a) to change the matching fund requirement from 30% of the costs of the marketing campaign described in the contract to 50%.

**Section 3** - Amends the uncodified law of the State of Alaska by adding a new section creating a nine member Alaska Tourism Marketing Funding Task Force to consider long-term tourism marketing funding solutions for the state. The task force shall operate from September 1 - December 31, 2007 and make a report of their findings and recommendations to the Governor and the legislature by the 30<sup>th</sup> day of the Second Session of the 25<sup>th</sup> Alaska State Legislature.

**Section 4** - Provides an effective date of July 1, 2008 for Section 2 of this Act.

**Section 5** - Provides an immediate effective date for Section 3 of this Act.

**Explanation** - By April 1 of each fiscal year, the Dept. of Commerce, Community and Economic Development may contract with a qualified trade association (*Alaska Travel Industry Association*) to plan and execute a tourism marketing campaign during the next fiscal year.

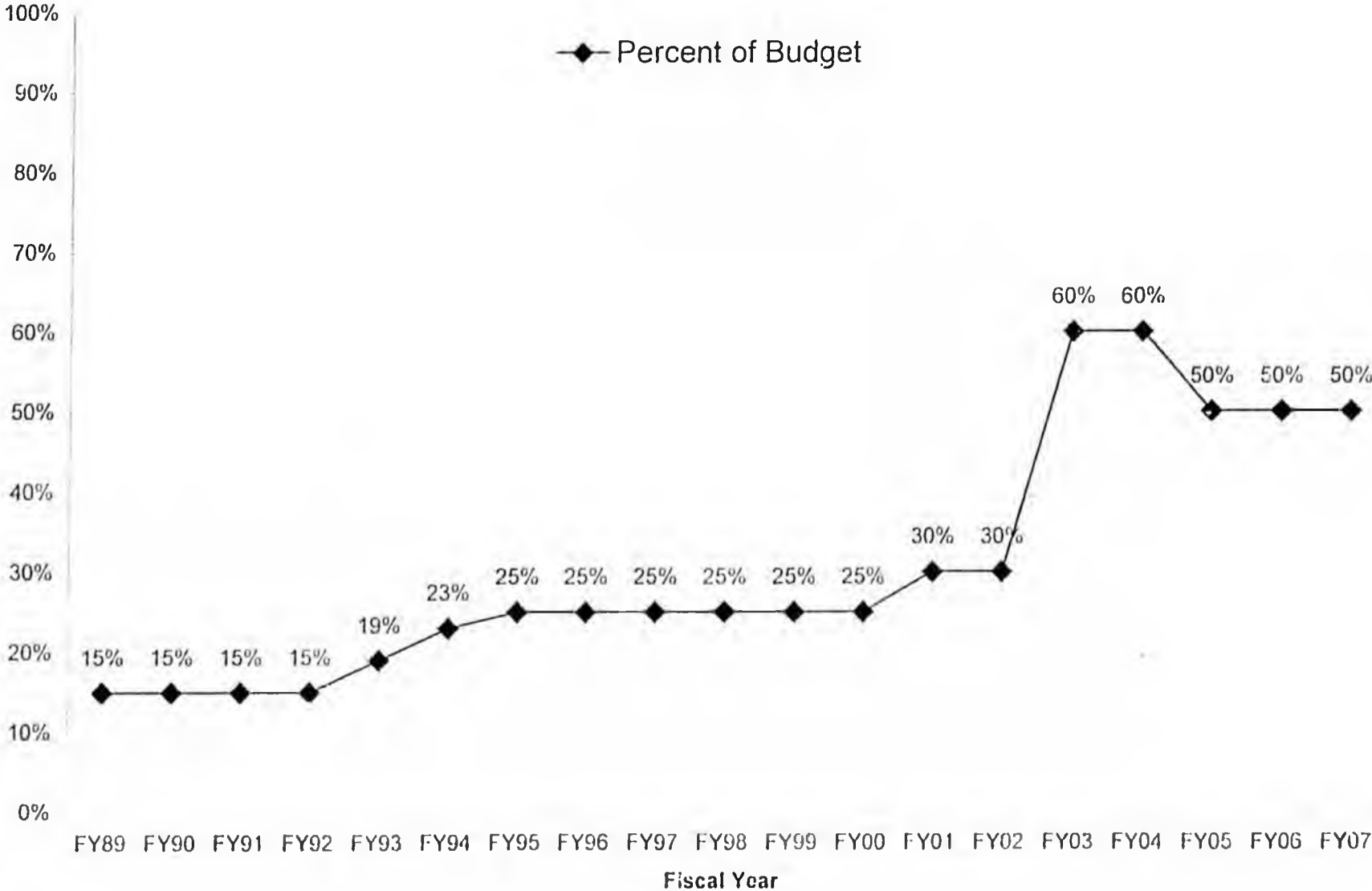
In FY07 the total combined funds from state and private contributions was \$10 million; \$5 million in state funds matched by \$5 million voluntarily contributed from the tourism industry. With the passage of the cruise ship tax initiative, the Alaska Travel Industry Association (ATIA) will no longer be able to voluntarily raise \$5 million. The state's largest tourism segment, the cruise industry, will now be required to pay millions of dollars directly to the state and will no longer be able to contribute voluntarily to the state marketing program. The ATIA believes that they will be able to maintain \$2 million in private industry match.

In concert with SB 143 which appropriates \$18 million to the QTA Tourism Grant Line, the total tourism marketing budget will be \$20 million, of which \$2 million is private industry funds for a 90/10 match.

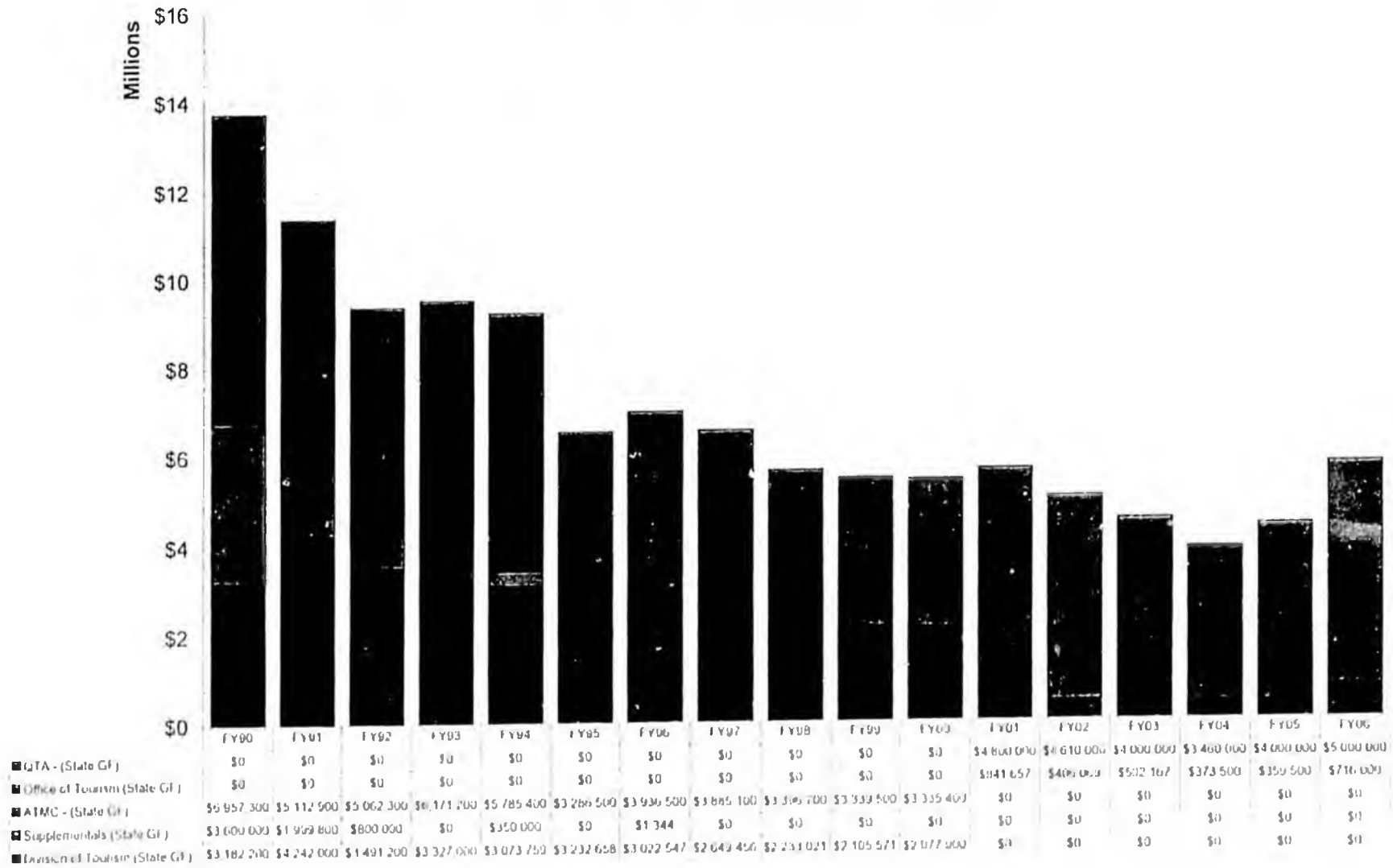
**FY07 Current Private Fund Sources:**

\$5,000.00	Private Industry Match
-\$2,000.00	*Volunteer Cruise Contribution (no longer available)
-\$ 500.00	Cruise Industry Advertising (redirected to their own programs)
-\$ 500.00	*Visitor & Convention Bureau Contributions (no longer available)
\$2,000.00	Remaining ATIA funds available through membership dues and pay to play participant programs

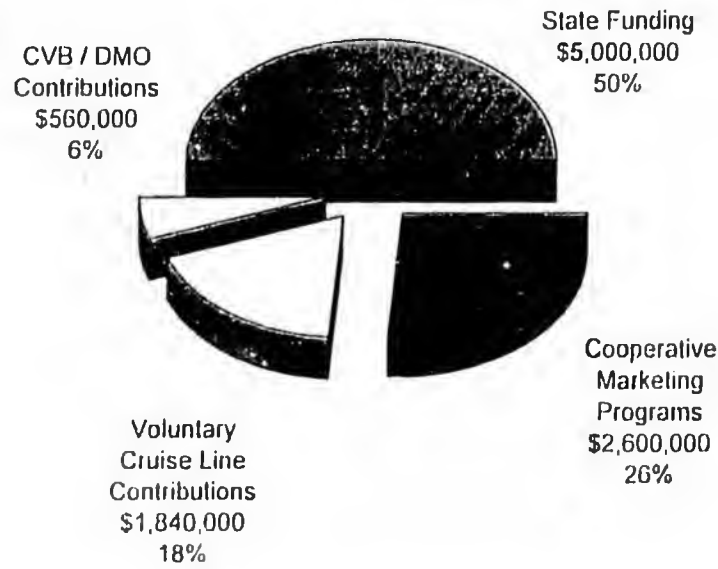
### Tourism Marketing - Industry Payment in Lieu of Taxes



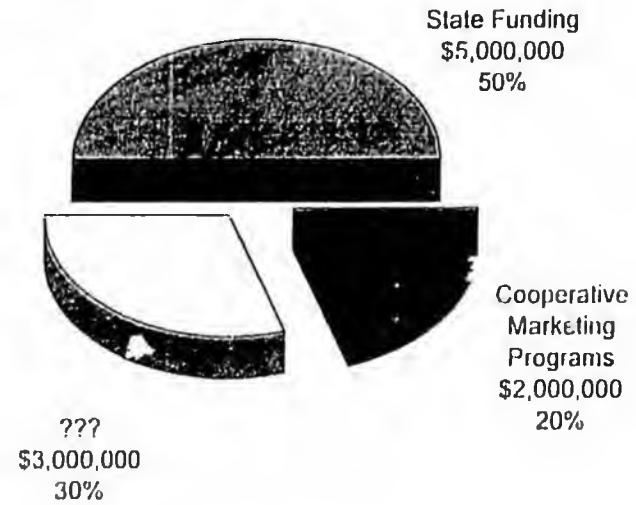
## State of Alaska - Tourism Marketing Budgets



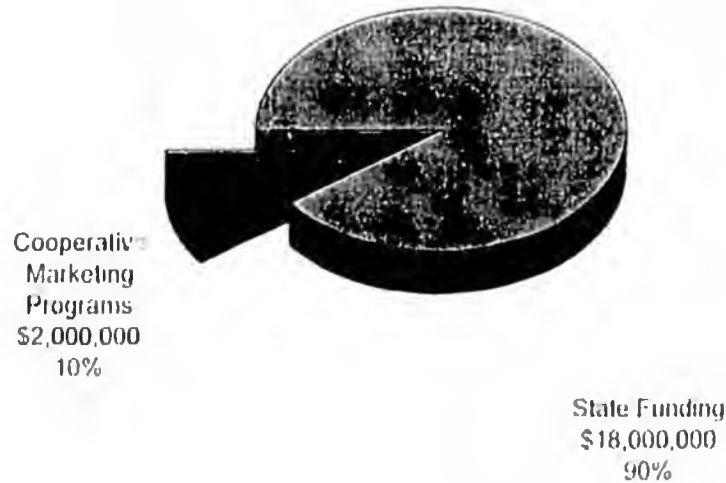
**ATIA Current Funding Model - \$10m**



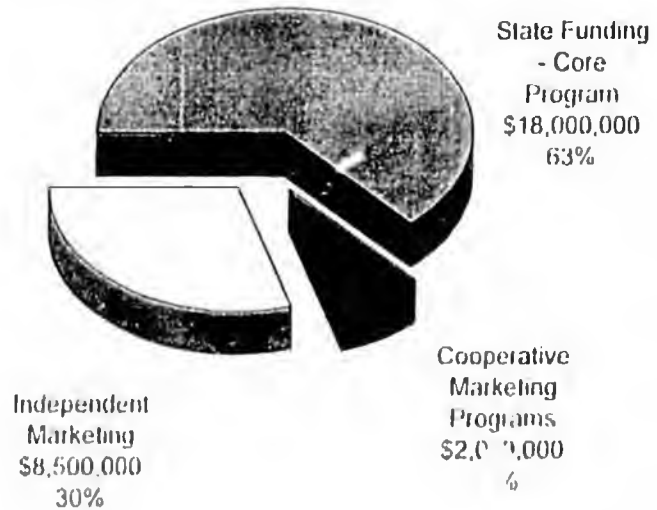
**ATIA Future Funding Model - \$10m**



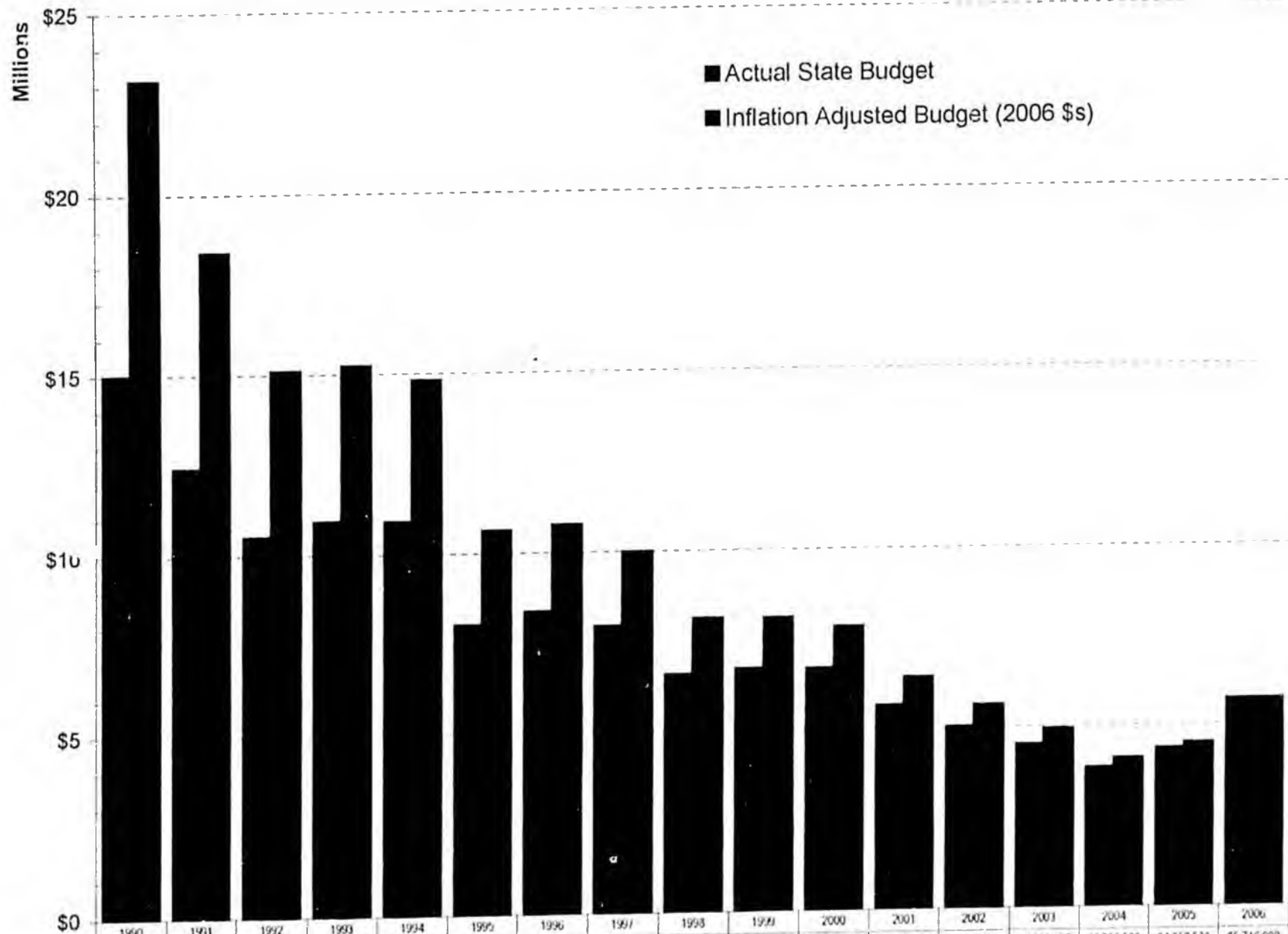
**ATIA Future Funding Model - \$20m**



**ATIA Future Funding Model - \$28.5m**

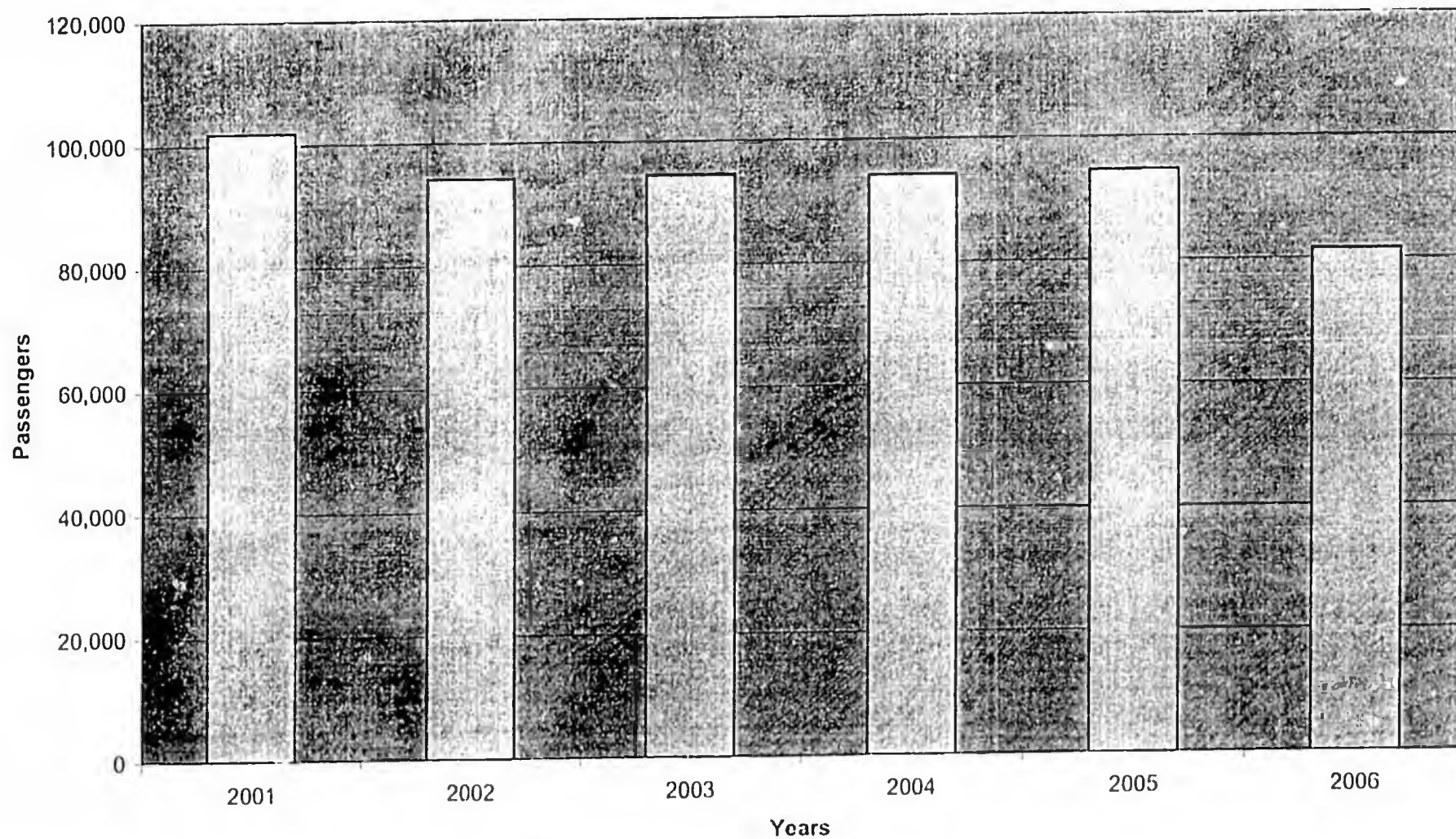


## Alaska's State Government Contribution to Tourism Marketing



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Actual State Budget	\$15,023,050	\$12,446,571	\$10,526,171	\$10,933,387	\$10,913,338	\$8,038,963	\$8,385,391	\$7,963,556	\$6,580,971	\$6,714,971	\$6,713,400	\$5,641,657	\$5,016,069	\$4,502,167	\$3,833,500	\$4,359,500	\$5,716,000
Inflation Adjusted Budget (2006 \$s)	\$23,172,000	\$18,422,270	\$15,125,000	\$15,253,000	\$14,845,000	\$10,633,000	\$10,774,000	\$10,002,000	\$8,138,000	\$8,124,500	\$7,859,120	\$6,421,380	\$5,671,040	\$4,932,809	\$4,091,231	\$4,500,129	\$5,716,000

## Alaska Canada Border Crossings 2001 - 2006



Border crossings (ALCAN and Poker Flats) exclusive of Motorcoach and Commercial Truck Traffic

Numbers Provided By Tok APLIC-Visitor's Center



# The Net Return\*

## to the State of Alaska from:



**Timber**

**Tourism**

**Minerals**

**Commercial  
Fisheries**

State of Alaska  
Department of Commerce, Community, and Economic Development  
Prepared for Senate Labor & Commerce Committee

March 21, 2006

\*Net Return is defined for this report to be the total taxes, fees, federal funds, and royalties received by the State minus expenditures by the state treasury in direct support of the specified industry.

# The Net Return to the State of Alaska



## State of Alaska

### Timber, Mining, Commercial Fisheries and Tourism Revenues and Expenditures in Fiscal Year 2005

Dollars in Thousands

Resource Category	Total Gross Revenues			Total Operating Expenditures	Difference Between Revenues and Expenditures
	General Funds and Other Funds	Federal Funds	Total Funds		
Timber	\$ 2,040	\$ 170	\$ 2,210	\$ 1,614	\$ 595
Minerals	\$ 13,243	\$ 625	\$ 13,868	\$ 1,809	\$12,059
Fisheries	\$ 74,457	\$16,521	\$ 90,980	\$ 79,551	\$11,427
Tourism	\$ 49,667	\$ 83	\$ 49,750	\$ 29,216	\$20,534
<b>Total</b>	<b>\$137,367</b>	<b>\$17,230</b>	<b>\$156,808</b>	<b>\$110,381</b>	<b>\$44,616</b>

*Sources: Departments of Revenue, Fish & Game, Natural Resources, Labor Workforce Development, Transportation and Public Facilities, and Commerce Community and Economic Development*



**Tourism**

**Tourism FY05**

(In Thousands of Dollars)

**Sources (Revenue)**

Vehicle Rental Tax	\$6,417.9
Corporate Tax	\$1,248.4
Subtotal Taxes	\$7,666.3
Licenses Sold	\$17,728.0
AMHS Passenger Fees	\$24,273
Subtotal Receipts	\$42,001
Federal Funds	\$83.4
Subtotal Federal Funds	\$83.4
<b>TOTAL REVENUES</b>	<b>\$49,750</b>

**Uses (Expenditures)**

	General Fund	Federal	Other Agency	Total
Dept. of Commerce	\$2,321	\$83	\$50	\$2,454
Dept. of Revenue	\$22			\$22
Dept. of Fish & Game			\$1,151	\$1,151
Dept. of Transportation	\$25,589			\$25,589
Total by Category	\$2,343	\$83	\$1,201	\$29,216
<b>TOTAL USES</b>				<b>\$29,216</b>

**Net Surplus for Tourism \$20,534**



## Tourism

### Sources (Revenue)

**Dept. of Revenue – Vehicle Rental Tax** – An excise tax on the charge for the lease or rental of a passenger or recreational vehicle in Alaska. The final vehicle rental tax total of \$6.4 million reported here represents 85 percent of total reported vehicle taxes collected in 2005 and is based on a three year average of the number of people renting vehicles in one of the following three categories: 1. Vacation & Pleasure; 2. Visiting Relatives; or 3. Business & Pleasure. *Source: Alaska Visitor Statistics Program (AVSP).*

**Dept. of Revenue – Corporation Income Tax Liability for Tourism** – Tax liabilities reported on original corporate income tax returns during the fiscal year covering hotels, lodges, guided tour operations and totaling \$1.3 million.

#### Tourism – Sources Permits / Fees

**Dept. of Fish and Game Related Revenues** – All non-resident fishing, hunting, and trapping licenses sold during fiscal year 2005 totaling \$17.7 million.

**Dept. of Transportation / AMHS** – Non-resident passenger fees - Revenues cover months of May - September 2005 and include passenger, car deck, staterooms and on board sales adjusted to reflect Commerce's 2004 AVSP Summer Visitor Arrival report showing 71 percent of ferry travelers between the months of May-September are non-resident . Adjusted total is \$24 million.

#### Tourism – Sources Federal Funds

**Dept. of Commerce** – Federal Economic Development Administration to Commerce for rural tourism development initiatives.

### Uses (Expenditures)

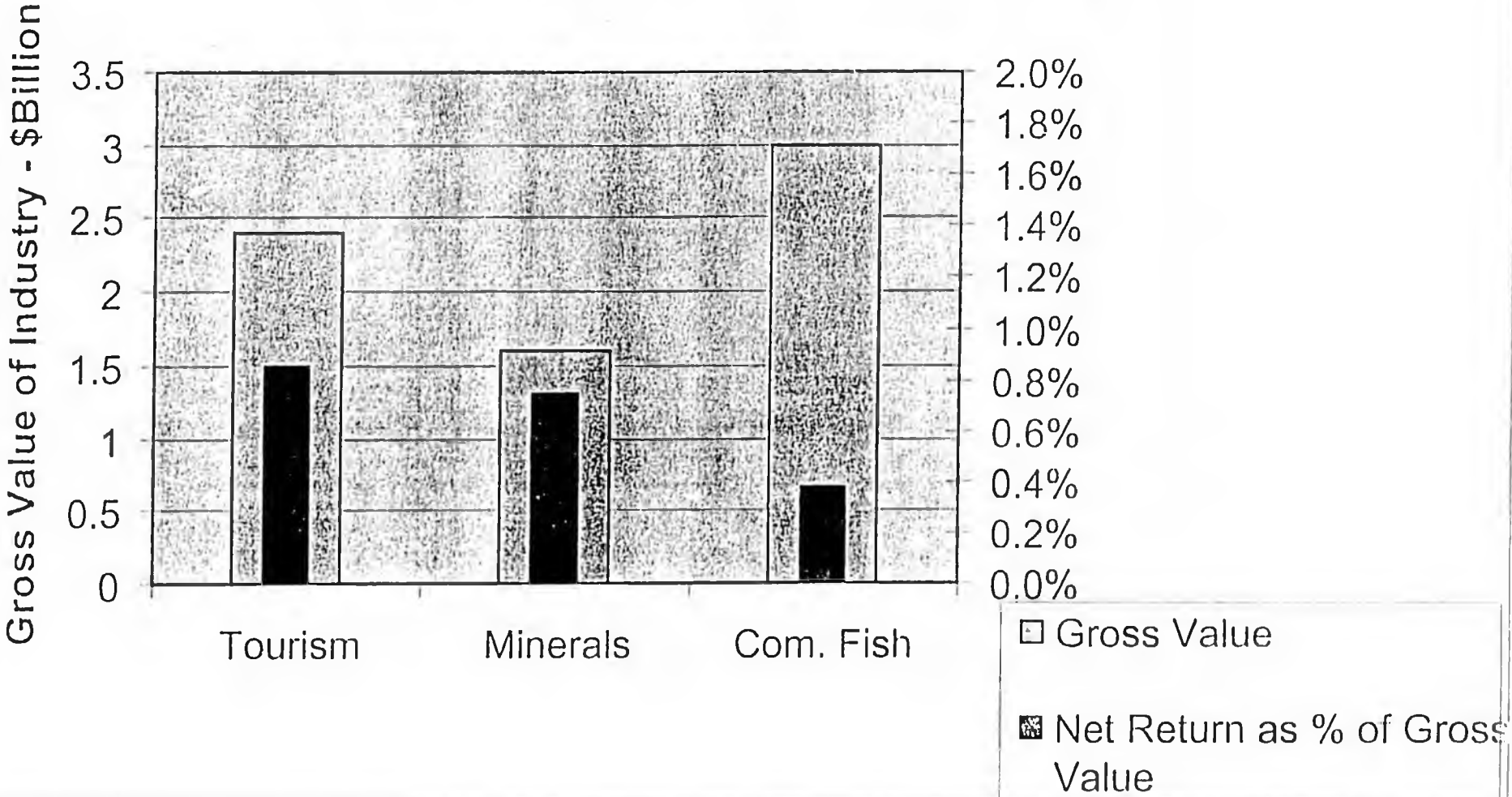
**Dept. of Fish and Game** – data entry and licensing accounting personnel to implement the hunting and sport fishing licensing receipts.

**Dept. of Commerce** – estimated costs for tourism staff, rural tourism development and ATIA contract match.

**Dept. of Revenue** – estimated staff costs to implement income tax liability activities.

**Dept. of Transportation / AMHS** – Expenditures reflect costs for the months of May-September while vessels are in revenue status, and do not include overhaul, lay-up or other overhead costs.

### Net Return as % of Gross Value - FY05



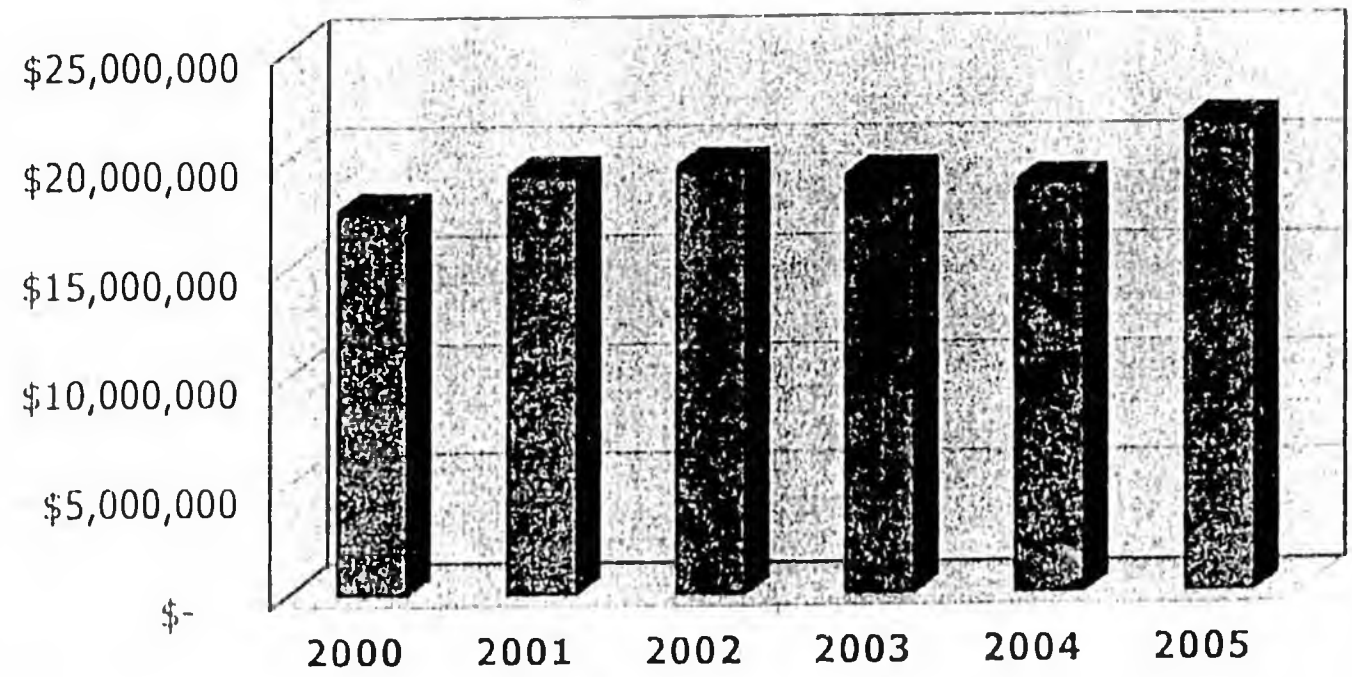
Source: State of Alaska DCCED March 21, 2006



## Tourism

### Alaska Lodging Taxes, 2000 - 2005

Source: Alaska Taxable 2005 Actual dollars





## Summary Table

<b>Supplemental Report Summary Table</b>	
<b>Actual Dollars (See Attached Supplement)</b>	
Estimated Taxes Collected by the State and Distributed to Local Communities or Paid in 2005 by Selected Industries to Local Governments and Private Entities <sup>1</sup>	
Industry	Total Revenues
Minerals <sup>2</sup>	\$57,000,000
Tourism <sup>3</sup>	\$29,500,000
Timber <sup>4</sup>	\$6,841,271
Commercial Fisheries <sup>5</sup>	\$69,692,536
Shared Fish Tax <sup>6</sup>	\$19,453,000
Subtotal Commercial Fisheries	\$89,145,536
<b>Total</b>	<b>\$189,486,807</b>

Footnotes: (1) Includes all taxes described in the supplemental including property taxes paid by businesses. (2) Includes Teck Cominco's payments to AIDIA and royalties to NANA, payments to local governments, and AK Railroad. (3) Includes bed tax revenues and estimated cruise ship fees in 2005. (4) Every effort was made to collect timber mill property tax revenue. Four of the seven cities contacted replied in time to be included in this report. The figure reported above is the combined total of property taxes paid in the four reporting communities. (5) Includes COQ royalties, estimated property taxes paid at local level, and local raw fish taxes. (6) The shared fish tax is collected at the state level and then shared among Alaska's communities. They include business tax and landing tax paid to unorganized and organized governments.



## Tourism

The travel and tourism industry has helped the Alaskan economy diversify, helping lower Alaska's dependence on the oil and gas industry.

- In 2002, travel and tourism sales produced \$2.4 billion in Alaska.
- That same year, tourism accounted for 5.6 % of Alaska's Gross State Product.
- Travel and tourism's economic contribution to the state increased 38% from 1998 – 2002.
- In 2002, core travel and tourism employment totaled 26,000 direct jobs ranking this sector fourth in overall statewide employment.
- Anchorage reports an estimated one million visitors passed through the city in 2005 compared with 900,000 the previous year.

Additionally, travel and tourism has had a positive impact by helping to stabilize those economies of communities affected by a downturn in timber and seafood harvesting. For example, a 2005 study undertaken for the Ketchikan Visitors Bureau reports:

- Cruise passenger spending exceeded \$111 million in 2004
- 1150 direct jobs generated by the tourism industry locally accounted for \$36 million in payroll.

### Trends

- During the past five years, cruise ship passenger traffic has grown by around 9% annually. This will slow down in the coming years.
- 2004 state-wide cruise ship visitors totaled 876,000 and are expected to increase only slightly more in 2005 to 900,000.
- Between May and September of 2005, 1.5 million visitors came to Alaska; about seven percent more than arrived in 2004. Industry analysts expect this trend to continue but project three to four percent annual growth in the years ahead.

DIRECT



GLOBAL INSIGHT

- ◆ The *induced* effect—also called the multiplier or income effect—increases travel and tourism's economic contribution to \$2.0 billion.
- ◆ Using the most narrow, *Core Industry* definition, travel and tourism is the third-largest private sector employer; fourth overall in the state with 26,158 direct full-time equivalency jobs in 2002.

Rank	NAICS Code	Industry	Employment
1		Local Government	36,804
2	44-45	Retail trade	33,904
3	62	Health care and social assistance	27,327
4	72	Accommodation and foodservices	24,940
5		State Government	21,764
6	48-49	Transportation and warehousing	19,086
7		Federal Government	16,761
8	23	Construction	15,924
9	31-33	Manufacturing	11,152
10	54	Professional, scientific, and technical services	10,732

Tourism Industry  
26,158  
Jobs

Comparative Data: Bureau of Labor Statistics, 2-digit NAICS detail

- ◆ The travel and tourism *Core Industry* generated 9.1% of Alaska's total employment in 2002.
- ◆ Travel and tourism-generated jobs provided \$579 million in *core labor income* (benefits and salaries) to Alaska.
- ◆ Travel and tourism's *Economic Contribution* to employment reached 39,420 full-time equivalent jobs. Those jobs provided Alaska workers with \$1.15 billion in income.
- ◆ Including the *induced effects*, travel and tourism-related employment totals 46,935 with labor income of \$1.36 billion accruing to the workers of Alaska.

Composition of Total Economy Travel & Tourism Employment, 2002

Rank	Industry	Employment	% Distribution
1	Amusement and Recreation Services- N.E.C	8,017	20.3%
2	Hotels and Lodging Places	7,072	17.9%
3	Eating & Drinking	4,283	10.8%
4	Air Transportation	2,643	6.7%
5	State & Local Government - Non-Education	2,278	5.8%
6	New Highways and Streets	2,190	5.6%
7	Federal Government - Non-Military	1,372	4.7%
8	Transportation Services	1,209	3.1%
9	New Industrial and Commercial Buildings	888	2.3%
10	General Merchandise Stores	727	1.8%
11	Automotive Dealers & Service Stations	531	1.3%
12	Water Transportation	525	1.3%
13	Apparel & Accessory Stores	407	1.0%
14	Arrangement Of Passenger Transportation	377	1.0%
15	Engineering- Architectural Services	376	1.0%
16	Furniture & Home Furnishings Stores	362	0.9%
17	Accounting- Auditing and Bookkeeping	349	0.9%
18	Membership Sports and Recreation Clubs	313	0.8%
19	Personnel Supply Services	308	0.8%
20	Management and Consulting Services	306	0.8%
21	Real Estate	253	0.7%
22	New Government Facilities	288	0.7%
23	Miscellaneous Retail	272	0.7%
24	Credit Agencies	267	0.7%
25	Maintenance and Repair Other Facilities	242	0.6%
26	Motor Freight Transport and Warehousing	232	0.6%
27	Wholesale Trade	230	0.6%
28	Other Business Services	213	0.5%
29	Automobile Repair and Services	179	0.5%
30	Automobile Rental and Leasing	160	0.4%
	All Other	2,030	5.2%
	<b>Total</b>	<b>39,418</b>	<b>100.0%</b>

When the direct and indirect effects of travel and tourism on all industries is factored in, the employment impact in Alaska of Water Transportation increases from the core impact of 447 to 525. However, the percentage of jobs in that industry compared to the total dropped. With the added indirect effect, there is a wider distribution of jobs. Many more industries are indirectly impacted by travel and tourism than just the industries that tourists patronize. The Eating and Drinking industry drops from 16% of direct core jobs to 10.8%. Travel and tourism spending benefits so many industries that any increase in travel and tourism will be widely felt in the Alaskan economy.

Total economy travel & tourism includes spending not in the core. Investment and government spending is not included in the core travel & tourism spending, another reason for the greater spread of employment across industries.

INDIRECT AS OF 2002



Composition of Total Economy Travel & Tourism Gross State Product, 2002

Rank	Industry	Value	Percentage
1	Hotels and Lodging Places	226,901,131	14.2%
2	Air Transportation	139,296,052	11.8%
3	Amusement and Recreation Services- N.E.C	138,063,956	10.5%
4	State & Local Government - Non-Education	145,837,664	9.1%
5	New Highways and Streets	128,441,734	3.0%
6	Eating & Drinking	107,180,342	6.7%
7	Federal Government - Non-Military	105,657,456	6.6%
8	New Industrial and Commercial Buildings	51,403,834	3.2%
9	Transaction Services	45,441,348	2.3%
10	Water Transportation	35,100,550	2.2%
11	Automotive Dealers & Service Stations	30,923,279	1.9%
12	General Merchandise Stores	25,773,521	1.6%
13	Real Estate	24,386,350	1.5%
14	New Government Facilities	23,364,262	1.5%
15	Engineering- Architectural Services	16,253,428	1.0%
16	Wholesale Trade	14,942,215	0.9%
17	Arrangement Of Passenger Transportation	14,889,105	0.9%
18	Banking	14,482,812	0.9%
19	Maintenance and Repair Other Facilities	13,729,329	0.9%
20	Furniture & Home Furnishings Stores	12,639,956	0.8%
21	Natural Gas & Crude Petroleum	12,296,754	0.8%
22	Motor Freight Transport and Warehousing	11,973,685	0.7%
23	Apparel & Accessory Stores	11,491,193	0.7%
24	Communications- Except Radio and TV	11,460,673	0.7%
25	Accounting- Auditing and Bookkeeping	11,317,252	0.7%
26	Management and Consulting Services	9,754,071	0.6%
27	Automobile Repair and Services	9,359,259	0.6%
28	Other Business Services	3,812,202	0.6%
29	Personnel Supply Services	3,675,430	0.5%
30	Automobile Rental and Leasing	3,113,467	0.5%
	All Other	99,762,736	6.2%
	Total	1,597,743,833	100.0%

This table includes both the direct and indirect effects of travel and tourism on all industries from all types of travel and tourism demand (visitors, investment, and government). The table reflects the wide-ranging impact of travel and tourism spending in Alaska on industries in the state. The table is led by industries that are expected to benefit from travel and tourism spending—hotels, restaurants, and transportation—but also points out unexpected industries that benefit from travel and tourism spending. Industries like Accounting—Auditing and Bookkeeping in Alaska gained over \$11 million dollars in economic impact from tourists. Alaska's Personnel Supply Services industry is \$3.7 million richer from travel and tourism spending in Alaska.



## VII. OTHER SECTORS BENEFITING FROM TRAVEL & TOURISM

One of the powerful results of the TSA analysis is the ability to examine how industries seemingly unrelated to travel and tourism benefit from it. These industries are the suppliers to the travel and tourism sector. Certainly, they are suppliers to many industries, but this analysis shows *the degree* to which travel and tourism activity supports their businesses. Some of this support has been pointed out in the previous section in talking about travel and tourism spending impact. Here, the indirect effect of travel and tourism spending is examined on its own.

In Alaska, Real Estate, Engineering-Architectural Services, and Wholesale Trade hold the top-three spots of travel and tourism's indirect benefits with a combined \$55.6 million of indirect benefit last year. Many of these industries are familiar but the realization of how much of an impact travel and tourism spending has on their revenues can be astonishing.

### Indirect Benefits Realized by "Non-Travel & Tourism" Industries – Value Added by Industry, 2002

Rank	Industry	Value	Percentage
1	Real Estate	24,396,350	8.6%
2	Engineering-Architectural Services	16,253,428	5.7%
3	Wholesale Trade	14,942,215	5.3%
4	Arrangement Of Passenger Transportation	14,669,105	5.2%
5	Banking	14,432,812	5.1%
6	Maintenance and Repair Other Facilities	13,729,329	4.8%
7	Natural Gas & Crude Petroleum	12,296,754	4.3%
8	Motor Freight Transport and Warehousing	11,973,685	4.2%
9	Communications- Except Radio and TV	11,460,673	4.0%
10	Accounting- Auditing and Bookkeeping	11,317,262	4.0%
11	Management and Consulting Services	9,754,071	3.4%
12	Other Business Services	8,812,202	3.1%
13	Personnel Supply Services	8,675,430	3.1%
14	Computer and Data Processing Services	7,370,404	2.6%
15	Electric Services	7,248,575	2.6%
	All Other Industries	96,612,742	34.0%
	Total	284,120,036	100.0%

Note: that the table measures only the indirect effects of *ongoing* travel and tourism operations – not capital investment. Real Estate gains almost \$24.4 million in indirect benefits from travel and tourism expenditure. Banking services related to travel & tourism spending – currency exchange, services to hotel/restaurant/airline workers – adds \$14.5 million to Alaska's Gross State Product.

Travel and tourism-related capital investment also plays a key role in the economic contribution of the sector. This capital investment includes construction of hotels, beach preservation, transportation equipment and other travel and tourism infrastructure.



March 5, 2007

The Honorable Representative John Harris  
Speaker, House of Representatives  
State Capitol  
Juneau, AK 99801

Dear Mr. Speaker,

Thank you so much for supporting the Alaska Travel Industry Association [ATIA] through your sponsorship of HB 147, "An Act relating to matching funds in state tourism marketing contracts with trade associations."

Seventeen years ago Harvard economist Michael Porter put forward the recipe for competitive success by establishing that winning industries or regions will be those that differentiate themselves by promoting their uniqueness. Alaska tourism has a competitive advantage by virtue of its beauty, location and natural resources, and the tourism industry has worked hard to promote the state's exceptional attractions.

But an increasingly competitive global marketplace is bearing down on us, and it is no longer enough to have a great product. As Porter said, we must have the means to compete and differentiate ourselves in a marketplace where other destinations are willing and able to spend much more to reach their markets.

The good news is that tourism, through its destination marketing efforts, offers a strong pipeline - a marketing pipeline that connects the Alaska travel experience and Alaskan businesses with consumers all over the world. The deliverable is immediate and equates to more than 1.9 million visitors every year.

Like other natural resource industries, we endeavor to reach the market, but our pipeline - built more than 50 years ago - needs refurbishing. The current destination-marketing budget combines \$5 million in private funds raised from the industry with \$5 million matched by the state, all managed by ATIA. But that amount is no longer enough for our message to penetrate the market. Increasingly, other destinations are flooding consumers with more television

commercials, travel stories, co-promotions, direct mail, brochures and Internet marketing. In fact, Alaska now ranks 38th out of the 50 states in terms of public sector funding for tourism marketing.

ATIA anticipates that its marketing effort will be further impacted when industry partners with bigger tax bills to pay are forced to abandon their voluntary contributions to the marketing program. Conservatively, ATIA stands to lose \$2.5 million in industry contributions along with the matching \$2.5 million from the state. Other state and municipal taxes, fees, transport charges, a new car rental tax, lodging tax increases and pending cruise industry taxes now account for an estimated \$140 million collected from tourism businesses and our visitors. This number increases when you add in other municipal and state assessments.

So who gets hurt when Alaska's competitiveness dwindles? Small tourism businesses, those who want jobs in the tourism industry, our economy and our economic advantage.

The decision to grow Alaska travel should be an economic development and investment decision - not a budget decision - in which the governor and the legislature participate. As the tourism industry faces an ever-competitive future with dwindling resources, the legislature has been asked to look at tourism as a renewable economic resource and to develop the economic potential of the industry by overhauling the existing pipeline to bring Alaska's travel resource to market, including:

1. Increase the funding level for the ATIA core destination-marketing program in the next state operating budget to \$20 million;
2. Increase the current funding level for a separate program to entice more independent travelers to \$8.5 million equal to the amount of the current vehicle rental tax.

The potential for the travel industry to further strengthen Alaska's economy and enhance its residents' quality of life is tremendous -- each vacationer spends about \$1,260 to enjoy flightseeing trips, fishing charters, museums, glaciers, Native culture and state and national parks. But developing it further will not happen by accident. If Alaska is to stay competitive for the good of future generations, it will be important to remember tourism is not just ATIA's business or the state's business or the legislature's business. Tourism is everyone's business.



Ron Peck, COO  
Alaska Travel Industry Association



## Alaska Campground Owners Association

P.O. Box 111005 Anchorage, Alaska 99511

Toll Free (866) 339-9082 / Fax (907) 334-9082

info@alaskacampgrounds.net

### RESOLUTION NO. 2007-03

#### A RESOLUTION SUPPORTING SB 143 and SB 144

WHEREAS, the Alaska Campground Owners' Association (ACOA) represents an association of small family operated camper park businesses; and

WHEREAS, the independent traveler to Alaska has been in decline for the past six years; and

WHEREAS, the private campground industry has realized a decline in camping occupancy of approximately 10% for each consecutive year; and

WHEREAS, the success of the private campground industry depends heavily on the marketing efforts of the Alaska Travel Industry Association (ATIA) in domestic and Foreign arenas; and

WHEREAS, Alaska's public sector tourism marketing budget ranks 36<sup>th</sup> when compared with other states competing for the same visitor pool; and

WHEREAS, ATIA studies have shown that small independent business along Alaska's highway system are impacted the greatest with the decline in statewide tourism marketing dollars.

WHEREAS, previous private sector matching fund formula for tourism marketing may no longer be valid with the initiation of the cruise ship head tax; and

WHEREAS, the state's general fund support for tourism marketing has declined from \$23,000,000 in 1990 to \$5,700,000 in 2006.

NOW, THEREFORE, BE IT RESOLVED that the Alaska Campground Owner's Association supports SB 143 and SB 144

BE IT FURTHER RESOLVED that a portion of funds raised from the Cruise Ship Head Tax and Corporate Tax ( \$18 Million for core tourism marketing) and the Vehicle Car/RV Rental Tax (\$8.5 Million for Independent and Highway traveler marketing) be

incorporated into a \$28.5 Million marketing program for the Alaska Travel Industry Marketing Plan 2007.

PASSED and APPROVED by the ALASKA CAMPGROUND OWNERS' ASSOCIATION this 2nd day of April, 2007.

Chairman of the Board- Scott Reiland

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ATTEST: Executive Director-Heidi Boyd

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**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 3/28/07

FURTHER: Finance

Date of 5-Day Notice: 5/3/07  
 (in accordance with Uniform Rule 23)

DATE TURNED  
 IN TO OFFICE: 5/8/07

State Affairs Committee considered SENATE BILL NO. 144

**SB 144 TOURISM CONTRACT MATCHING FUNDS**

"An Act relating to matching funds in state tourism marketing contracts with trade associations."

and recommends:

- be replaced with  SCS or  CS SB 144 (STA)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>
<input type="checkbox"/> Same Title
<input checked="" type="checkbox"/> New Title
<hr/>
<b>HOUSE BILL:</b>
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____


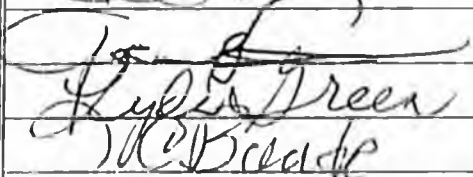
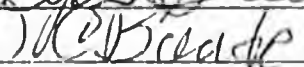
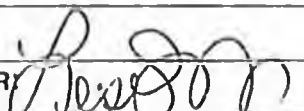
**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
CCED	05/07			✓	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	French			✓	
	STEVEN Green			✗	
	Blende			✓	
CHAIR 	McBure	✓			

**SB**

**152**

**SFIN**

**FILE**

failed 2-4

WORK DRAFT

WORK DRAFT

WORK DRAFT

not adopted

25-LS0754VK  
Mischel  
3/17/08

CS FOR SENATE BILL NO. 152( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATOR THOMAS

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to charter school funding."

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

3 \* Section 1. AS 14.17.450 is amended by adding a new subsection to read:

4 (c) If the ADM in a charter school is less than 150, the adjusted student count  
5 under (a) of this section for the school shall be calculated by multiplying the ADM by  
6 1.08.

7 \* Sec. 2. AS 14.17.905(b) is amended to read:

8 (b) Notwithstanding (a)(3) of this section and for purposes other than  
9 calculations under AS 14.17.450, a charter school shall be counted as a separate  
10 school if the charter school has an ADM of at least 150 students.

# ALASKA STATE LEGISLATURE



SENATOR JOE THOMAS

## Sponsor Statement SB 152

SB 152 will correct a flaw in the school funding law as it applies to charter schools with fewer than 150 students.

Currently, charter schools with fewer than 150 students are not funded as separate schools under the foundation formula. Instead, they are funded at a much lower per-child rate, as if their students attended the largest schools in their districts. The largest schools in urban districts are high schools with 500 - 1,000 students, whose multipliers for additional students under the foundation formula are .84 or .92. In contrast, the per child funding rate for a school with 150 students is 1.45 when the ADM base and multiplier are considered.

SB 152 gives charter schools with fewer than 150 students an Adjusted Student Count equal to their ADM times 1.27. This rate is the same as the per-student rate for a standard school of 275 under the current school size factor.

The current law triggers financial emergencies for schools and their districts when enrollment at a charter school drops unexpectedly from above 150 to just under that threshold.

For example, Winterberry Charter School in Anchorage opened in FY06 with 143 students instead of 150, which resulted in a \$400,000 cut in funding to the Anchorage School District and financial crisis for Winterberry. Positions had to be eliminated and the program was reduced in the middle of the school year. Fortunately, Winterberry survived and now has 160 students.

Last year, Fairbanks' Effie Korkine School dropped from a school-size factor of 1.45 down to .84, when its enrollment fell below 150, and Bethel's Yup'ik Immersion Charter School suffered a similar fate. Both these schools offer programs focused on success for Native students, but their survival is endangered by the flaw in the funding system.

The system makes it extremely difficult for charter schools to operate if their community size or the curriculum is not appropriate for a school of 150 students. That is the case today in Juneau, Homer and Nome. In Juneau's case, the state funds students at a rate of 1.17 - 1.30 if they attend a neighborhood elementary school, but cuts funding to .84 if those same students attend the local charter school.

SB 152 maintains an incentive for charter schools to grow above 150 students, at which point they are funded at the higher, separate school rate under existing law. However, it allows smaller charter schools to survive and offer valuable education options to Alaska families.

**SENATE FINANCE  
COMMITTEE  
ROLL CALL**

DATE: 3-25-08  
 Amendment: adopt new CSB 150 (FIN)

MEMBER	Favor	Oppose
SEN. ELTON		✓
SEN. HUGGINS		—
SEN. OLSON		✓
SEN. THOMAS		✓
SEN. DYSON		✓
SEN. STEDMAN	✓	
SEN. HOFFMAN	✓	

*absent*

YEA 3  
 NAY 4

Hi Senator Elton:

I have written to you for several years now, both to ask for your help in supporting small charter schools, and to thank you when you have provided that support. Tonight I write you feeling hopeful that the long-term solution to the small charter school funding problem may finally be at hand.

On Tuesday the Senate Finance Committee is scheduled to hear SB 152, Sen. Joe Thomas's bill on charter school funding. This bill would represent the long-term funding solution that we have needed to keep the charter school healthy and able to count on staying alive for more than just one year at a time--which, as important as it's been, is nonetheless all we can count on from the small charter school appropriation that you have helped champion in previous years. Passage of this bill would mean that the small charter schools of Alaska would no longer need to come back to you and the other members of the Legislature year after year and beg for just one more round of appropriations. It would mean we could deliver basic services--transportation, special ed services, school counseling--that we simply can't deliver to our kids--even though they're public school students. It would mean that the small charter schools around Alaska could be assured of survival for years to come.

I know time is short, but I hope you will work as hard as you ever have to see that this bill passes out of Senate Finance and gets a vote on the Senate floor. We will be with you all the way.

Thanks, Tony and Linda Newman

Senate Special Committee on Education

Thank you for holding an overview session on Charter Schools with the Senate Special Committee on Education. I am writing to express my support for Charter Schools in Alaska and to request your support for more equitable funding for charter schools of all sizes.

I currently have two children attending the Juneau Community Charter School. My ten year old son has attended the charter school for all 6 years of his education and my youngest son has started kindergarten this year.

I believe Charter Schools are an important way to provide for school choice in Alaska and support parent involvement in education. We are very happy that the Juneau Community Charter School exists to provide a small school environment (a total of 66 children) and involve parents in the school in meaningful ways. I want my children to be educated in a small environment and want to be involved in their education. We like the multi-age classrooms, the daily interaction between children of different ages, and the whole child view of education.

Since home schooling is not an option for our family due to employment obligation we are happy to have a charter school available to address many of our needs. My older son was born with a serious congenital heart defect that has required many open heart surgeries and has had special physical needs. We have greatly appreciated him being able to attend a small school where his needs are known and met within the regular classroom.

We would love to have you visit the school since it is just two blocks from the capital. Please call the school office at 586-2526 anytime you would like to arrange a visit.

I believe Charter Schools have an important place in Alaska's education system. I hope that through your efforts, solutions to the challenges faced especially by small charter schools can be addressed. The current funding situation means it is very difficult for charter school with under 150 students to operate.

Alaska is a state of small numbers and we need charter school legislation that will allow charter schools of all sizes to thrive.

Please support more equitable funding of charter schools to allow educational options around the state.

Thanks very much for your attention to this important issue.

Sincerely,

Jeannie Monk  
Juneau Community Charter school parent

Dear Senator Elton,

I have never taken the opportunity to thank you for the hard work you do in the name of Juneau families and children, and do so at the outset of this letter. I appreciate what I consider to be very intelligent representation that you give to Juneau.

I am writing to you today as the parent of two children that attend the Juneau Community Charter School, in support of SB 152, which would help to create more equitable funding for small charter schools, like ours. I am also a teacher at the school, now in my sixth year, and have known the yearly struggle of trying to raise enough funds to keep the wolves at bay. It wears on us all.

As difficult as it can be to worry about our finances, I would not teach anywhere else. I feel privileged to work in what I consider to be a model school, not as measured by test scores, but the joy our students find in learning, and in the many close friendships they develop as they journey through their elementary years.

We often remark that what makes the Charter School unique is its arts-integrated curriculum, but we fail to mention how the small size meets the needs of children. Children learn best in an environment where they feel safe, comfortable and close to the adults and peers they see everyday. With the level of parental involvement and long-term relationships between peers, our school provides the kind of caring community in which children thrive.

Research says that children whose parents are more involved in their education tend to do better in school. After my Charter School experience, I would add that parents who are involved in the lives of children, generally, at school, make a tremendous contribution to creating a kinder world- the kind we would all like to pass on to our children.

Thank you again for the hard work you do in the name of Juneau. I appreciate your efforts on behalf of education and all children, especially.

Sincerely,  
Sheila Keller

## Catherine Reardon

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From: jgeselle@gci.net on behalf of Jon Geselle [jgeselle@gci.net]  
Sent: Monday, March 24, 2008 8:48 PM  
To: Catherine Reardon  
Subject: SB 152

To Senate Finance.

We are writing to thank you for taking time during this busy legislative session to consider SB 152, which will help address the funding formula for small (under 150 students) charter schools. This is an especially important change as reaching the critical size (150+) is very difficult in many areas of Alaska. Charter schools provide educational choice in our state and we request your support.

Our son has attended the Juneau Community Charter School for all three years of his elementary education and we could not be more pleased with the experience. We value the small size of the school because of the ways it enables children to establish long-term relationships with children of multiple ages. (Our son recently invited friends in grades ranging from 1st through 5th to his birthday party.) The school's size and structure (with parent involvement) also allows children to build relationships with numerous adults in their lives. It is hard to estimate the value, for our children, of seeing so many adults invested in their lives. It is equally hard to estimate the value of taking part on the lives of so many young people. Truly it is a blessing.

Due to the current funding formula we face an uncertain future on a yearly basis. This uncertainty is a difficult and unnecessary strain on the teachers and parents. With your support, we may find a long term solution to the financial situation of small charter schools, thus ensuring that others will have the same opportunity we have had to experience the benefits of a small school.

Thank you,  
Annie & Jon Geselle

**Catherine Reardon**

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**From:** sarah@gci.net on behalf of Sarah Olsen [sarah@gci.net]  
**Sent:** Tuesday, March 25, 2008 12:06 AM  
**To:** Catherine Reardon  
**Subject:** letter

Senate Special Committee on Education,

The Juneau Community Charter School has been a great option for my family for the past 4 years, and I would truly appreciate it if the children in our public school were afforded the same funding as other public school students in Juneau.

The Juneau Community Charter School is a place where the family is encouraged to actively participate in their child's education. I think the children really thrive in the multi-grade classrooms, as well as in the many all-school activities in which they participate. My children have particularly enjoyed the Spanish and art programs, as well as the "field trips" into the Juneau community.

Though our student-to-teacher ratio is comparable to other Juneau School District classrooms, the small school size (66 students) is unique and offers a wonderful option for students in Juneau.

Thank you again for helping us to obtain equitable funding for our children. Your efforts are very much appreciated.

Sarah Olsen  
Parent of 2 Charter School Children

## Catherine Reardon

**From:** campalaska@gci.net on behalf of peter otsea [campalaska@gci.net]  
**Sent:** Monday, March 24, 2008 10:59 PM  
**To:** Sen. Charlie Huggins; Sen. Donny Olson; Sen. Fred Dyson; Sen. Lyman Hoffman; Sen. Bert Stedman; Sen. Joe Thomas; Sen. Kim Elton  
**Cc:** Catherine Reardon; Brenda & Joe Taylor/Roth  
**Subject:** support for SB 152

Dear Senators,

I am writing to thank you so very much for giving your attention to the funding situation of small charter schools (under 150 students) in Alaska. My hopes are high that Senate Bill 152, which is being considered by your committee, might mean that small schools such as the Juneau Community Charter School will finally find some financial security and will allow the school to realize some important goals for education in our district that currently remain out of reach due to the hard-scrabble sort of budget under which we operate.

There are so many positive things I could say about the Juneau Community Charter School (JCCS) where my children have been being educated over the past 9 years. I could go on at length to describe how the school has benefited not only my 3 kids but my family as a whole. However in the interest of brevity, I want to make some points about the value of the school's small overall size since this is at the crux of our funding inequity. What follows are some valuable things that are possible in a school comprised of only 66 Kindergarten-through-sixth-grade kids:

\* At a school like JCCS there is an intimacy that includes all children as well as staff and parents. The environment is one where everyone belongs. Sometimes like in a family, which is often how our school feels, this makes for tension or discomfort. Yet, because these are the kids who will be in class together year after year, this is the teacher who will be teaching the same kids for 2 or 3 years running, and these are the parents who will be interacting with one another for many years to come, it is mandatory that conflicts are resolved, differences are respected and that we find ways to co-exist to the benefit of all. I believe that having kids learn in an environment where the development of the social skills necessary to work together shares importance with the acquisition of academic skills is of great importance to all, and even crucial to some who may not otherwise have the opportunity outside of school to develop successfully in these ways.

\* At a small school like JCCS the teachers and staff really come to know each and every student and are able to be better teachers to each individual child because of that relationship. Also, over time, relationships are built up between teachers and parents to the point where I feel in real partnership with my children's teachers. I, too, am supported by them in my efforts to parent my own kids and minister to the children of others.

\* I adore the opportunities afforded by multi-age classrooms as well as the multi-grade interactions that are sprinkled throughout the day and week at JCCS. I invite you all to come and watch the older students working alongside the younger ones - playing, mentoring, inspiring, sharing . . . Life at our school is socially, emotionally and academically enriched by this mingling in the classroom, on the playground and out in the community.

Unfortunately, there may be other students, other families in our district who would greatly benefit from these and many other things that are made possible by the small size of JCCS but find there are barriers to their ability to make this school choice. One very large deterrent, for example, is the lack of busing. At our present level of funding, there is absolutely no way we can afford to pay for bus service; parents must make their own arrangements to get their kids back and forth to school each day. This is made even harder for parents who need to avail themselves of before or after-school care for their children!

As you can imagine, our "wish list" for what we might do with a larger, sustainable budget goes on from there. By way of a final note from my corner - wouldn't it be great if the time and energy of those parents like myself who can afford to give a little bit more could be

used exclusively to directly benefit children and support teachers?  
Just think of what else I and others could be doing instead of endlessly fundraising and lobbying for little pockets of money just to pay for what seem to be basic necessities! How about hosting after-school clubs? Or tutoring students whose own families, for a variety of reasons, may not be able to support their learning in the way I can with my kids?

It is my fervent hope that this will be the year that legislation will be passed to make the funding of small charter schools more in keeping with larger schools in our district so that we can be secure in continuing to provide a quality education for children and so that we can strive towards the goal of making JCCS accessible to all students who would be well served in this environment. I commend your efforts on the behalf of our school and others like it in the state.

Sincerely,  
Marjorie Hamburger  
Juneau Community Charter School parent

## Catherine Reardon

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**From:** Alison-Michael Cooney [amcooney@gci.net]  
**Sent:** Tuesday, March 25, 2008 6:56 AM  
**To:** Sen. Kim Elton  
**Cc:** Catherine Reardon  
**Subject:** Please support SB 152

Dear Senate Finance Committee,

We are writing to ask for your support of SB 152 to increase charter school funding. The Juneau Community Charter School has provided a positive educational experience for our 1st grade daughter, Sklyar Cooney. We look forward to sending our four year old son to the charter school as well in a couple of years so that he can benefit from the same unique public school experience. Thank-you for your support.

Sincerely,

Mike & Alison Cooney

## **Charter School Funding Relevant Statutes**

### **Sec. 14.03.260. Funding for charter school.**

(a) A local school board shall provide an approved charter school with an annual program budget. The budget shall be not less than the amount generated by the students enrolled in the charter school less administrative costs retained by the local school district, determined by applying the indirect cost rate approved by the Department of Education and Early Development. The "amount generated by students enrolled in the charter school" is to be determined in the same manner as it would be for a student enrolled in another public school in that school district.

### **Sec. 14.17.905. Facilities constituting a school.**

(a) For purposes of this chapter, the determination of the number of schools in a district is subject to the following:

(1) a community with an ADM of at least 10, but not more than 100, shall be counted as one school;

(2) a community with an ADM of at least 101, but not more than 425, shall be counted as

(A) one elementary school, which includes those students in grades kindergarten through six; and

(B) one secondary school, which includes students in grades seven through 12;

(3) in a community with an ADM of greater than 425, each facility that is administered as a separate school shall be counted as one school, except that each alternative school with an ADM of less than 200 shall be counted as a part of the school in the district with the highest ADM.

(b) Notwithstanding (a)(3) of this section, a charter school shall be counted as a separate school if the charter school has an ADM of at least 150 student .

**Sec. 14.17.450. School size factor.**

(a) For purposes of calculating a school's ADM to determine state aid, the ADM of each school in a district shall be computed by applying the following formula:

If the student count		The adjusted student count is			
In a school is					
At least	But less than	Base	Multiplier	The number of Students in excess of	
10	- 20	39.6			
20	- 30	39.6	+ (1.62	x	20)
30	- 75	55.8	+ (1.49	x	30)
75	- 150	122.85	+ (1.27	x	75)
150	- 250	218.1	+ (1.08	x	150)
250	- 400	326.1	+ (0.97	x	250)
400	- 750	471.6	+ (0.92	x	400)
750 or over		793.6	+ (0.84	x	750).

(b) If the ADM in a school is less than 10, those students shall be included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district.

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**\*\*Note:**

The adjusted student count for charter schools with fewer than 150 students is based on the same formula as the largest school in the district (AS 14.17.905). Since urban districts generally have a high school with more than 750 students, their smaller charter schools receive .84 (84%) of the base student allocation for each of their students. This is the lowest rate for any non-correspondence school in the state.

**Sec. 14.17.450. School size factor.**

(a) For purposes of calculating a school's ADM to determine state aid, the ADM of each school in a district shall be computed by applying the following formula:

If the student count

The adjusted student count is

In a school is

At least	But less than	Base	Multiplier	The number of Students in excess of	*The italicized calculations of per student funding in the columns below combine the base and multiplier, and are supplementary information not written in the statute
10	- 20	39.6			<i>10 students = 3.96/student</i> <i>19 = 2.08/student</i>
20	- 30	39.6	+ (1.62 x	20)	<i>20 students = 1.98/student</i> <i>29 = 1.86/student</i>
30	- 75	55.8	+ (1.49 x	30)	<i>30 students = 1.86/student</i> <i>74 = 1.64/student</i>
75	- 150	122.85	+ (1.27 x	75)	<i>75 students = 1.64/student</i> <i>149 = 1.45/student</i>
150	- 250	218.1	+ (1.08 x	150)	<i>150 students = 1.45/student</i> <i>249 = 1.30/student</i>
250	- 400	326.1	+ (0.97 x	250)	<i>250 students = 1.30/student</i> <i>399 = 1.17/student</i>
400	- 750	471.6	+ (0.92 x	400)	<i>400 students = 1.17/student</i> <i>749 = 1.06/student</i>
750 or over		793.6	+ (0.84 x	750).	<i>750 students = 1.06/student, 1000 = 1.00/student, 1500 = .94/student</i>

*\*\*The adjusted student count for charter schools with fewer than 150 students is based on the same formula as the largest school in the district (AS 14.17.905). This means they are funded at the rate of excess students in the district's largest school. Since urban districts such as Juneau, Anchorage and Fairbanks have high schools with more than 750 students, their smaller charter schools receive .84 (84%) of the base student allocation for each of their students. This is the lowest rate for any non-correspondence school in the state.*





JUNEAU SCHOOL DISTRICT  
CITY AND BOROUGH OF JUNEAU  
OFFICE OF THE SUPERINTENDENT

10014 CRAZY HORSE DRIVE • JUNEAU, ALASKA 99801-8529 • (907) 523-1702 • FACSIMILE (907) 523-1708

March 11, 2008

Senator Gary Stevens  
Chairman, Special Committee on Education  
State Capitol, Room 103  
Juneau, Alaska 99801-1182

Dear Senator Stevens:


The Juneau School District values small charter schools with under 150 students, therefore requests greater, more equitable funding for them.

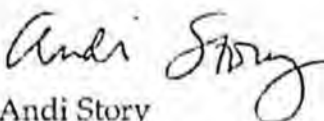
We recognize that small charter schools offer a unique learning environment because of their size and we find that small charter schools fill an important niche in the array of educational options that the District offers.

We also recognize that neighborhood schools in districts, such as Juneau, have the potential to be adversely affected when too many district children are enrolled in a large charter school(s).

Please share our recognition and concern with your committee during the upcoming work session on charter schools.

Thank you,

  
Peggy Cowan  
Superintendent

  
Andi Story  
School Board President

copy: Brenda Taylor, Juneau Community Charter School

**Catherine Reardon**

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**From:** Joe Roth and Brenda Taylor [joebrend@alaska.net]  
**Sent:** Monday, March 24, 2008 1:00 PM  
**To:** Catherine Reardon  
**Subject:** harriet's letter to Senator Stevens

Dear Senator:

I write in anticipation of the workshop on charter schools which has been scheduled for this coming Saturday, March 15th.

First, I would like to thank you for taking the initiative to look closely at this important issue. You've got a short session and many issues competing for your time and attention. The issue of how we support diversity in educational settings is critically important for all Alaskans, I believe, and my family notes and greatly appreciates your interest in it. Thank you.

Second, I would like to offer some thoughts on what the Juneau Community Charter School has meant to our two children and to our family.

The school's small overall size (65 students in three classes, covering K-5th grades) has allowed our children to have regular and meaningful interaction with other learners of a wide range of ages and experience. Our son (eleven years old and a fifth grader) participates in a writer's workshop with third and fourth graders; he is a "reading buddy" to a first grader, and every Thursday morning, he spends an hour visiting from room to room in what the school calls "all school's centers" -- a free form exploratory period during which the children share the projects they have been working on. It has been our family's experience that this regular interaction with children of all ages has fostered a sense of community among the children, and it has given our son a warm and inviting setting in which to mentor younger students. Through these interactions, our son has developed quite a sense of pride in his own accomplishments while at the same time, he has learned much about how to manage himself in a world of others who may be at very different stages in their lives. These experiences would not be nearly so available in a traditional or much larger school, where by necessity the children spend virtually all of their non-recess time with children of the same age.

The Juneau Community Charter School proved to be a lifesaver for our older child (now an eighth grader and no longer a student at JCCS). She has a learning difference that responded amazingly well to the school's small community environment. No amount of special education funding or attention could make up for what she needed in order to realize her potential: a sense of belonging - and being truly important to -- a small learning community. At JCCS, she knew and was known by every other child and teacher in the school. This helped her to feel responsible for her learning in a way that she could not feel, as one child of hundreds in the halls of a more traditional school. There are many, many children like our daughter, who are bright and have tremendous potential, but for whom a large school becomes a hiding place rather than a place to set down roots and grow up strong and self-confident. For these children, who will become the writers and the artists who so enrich all our lives, we have an obligation to provide the option of a small learning community setting, such as is provided by the Juneau Community Charter School.

There is another feature of our small charter school that I would like to highlight: family involvement. At our small charter school, family members are a regular part of the learning environment. In nearly every class of every day - including the lunch period and recess -- our students see at least one person who is not the classroom teacher. Usually, there are two family members in every class. These may be parents but they are often grandparents, aunts, uncles, step-parents, or other extended family members. The presence of these adults in the children's day does two things: it reinforces the importance of family and support persons in all our lives, and it shows the children that what *they* are doing all day is just as important as what the adults in their lives may be doing. This is important for every child, but for some it is truly critical. Those may be children whose families are struggling to cope with difficult circumstances, or those children who are at risk of falling through the cracks of our education system. For a child at risk, seeing an adult volunteer in her classroom every day, may be the support she needs to grow into a happy, centered person. Every responsible elementary school will tell you that it welcomes parent involvement, but it is obviously much easier to integrate family members into the day-to-day operation of a small school than a large one. We are fortunate to have a small school in Juneau where family members are integrated in the program.

In closing, allow me to voice what each of us has probably observed in our own families: when it comes to children, there is no "one size fits all". It is precisely for this reason that this family believes we have an obligation to support charter schools, including small ones, as equal partners in our state-wide education system. Charter schools have a reputation, generally, of turning out well-educated and productive kids, but charter schools aren't "better" than traditional public schools, any more that their students are "better" than any other students. They're different, and they bring the best that Alaska can offer to children who may do better in a different setting. We need to ensure that every child has the option of attending an accountable public school that as nearly as possible allows the child to learn and thrive. Thirteen years ago your predecessors agreed that this goal means offering the option of charter schools to districts around the State. We thank you for your support, and ask that you work to ensure that charter schools - including small ones -- are treated and funded as equal partners in our great public education system.

Thank you for your time and consideration,

Harriet Dinegar Milks  
William E. Milks  
Sarah E. Milks  
Reece C. Milks

**From:** maureen wilkinson [mailto:mokibay@yahoo.com]  
**Sent:** Monday, January 28, 2008 1:48 PM  
**To:** Sen. Gary Stevens  
**Subject:** School Choice and Equal Funding

Dear Senator Stevens,

Hello. I am writing this letter with the help of my twin boys who are ten years old. One attends West Homer Elementary and one attends Fireweed Academy, both in the fourth grade. First, I will let them express their ideas and then I will add my own.

I go to Fireweed and love it! My mom took me to visit when I was in 2nd grade for a day to see if it was where I wanted to go to school. I knew a lot of the kids already because my mom worked there before. I liked that I knew Kiki and Kris. I really liked the math and Kiki has a lot of cool books. Now that I have been going there for almost two years, I can't imagine going anywhere else. We do really cool projects and learn a lot. I enjoy that we move around and study themes. I think I learn a lot more this way. This school has given me lots of good buddies, but I also still play with friends that don't go to Fireweed on the playground and sports. I am happy that I had a choice of where to go, because I love it here at this school. We work hard, have cool field trips and get to go camping in the beginning of the year. I am glad I go to Fireweed. - Zane

I go to West Homer and I am happy that I do. When my mom took me to visit Fireweed in second grade, I was excited because I really liked Kiki. My mom said she thought I would really like going to Fireweed. After being there for a few hours, I called my mom and asked her to bring me home. I think there was too much action and I didn't like not having a desk. I have been jealous that Zane gets to go on so many field trips, but sometimes I get to play with everyone at Fireweed too. I got to visit them on their camping trip in the fall. I like that we are different and have some different friends. My teachers have been great at West Homer and I like my school. Now, I am glad that we go to different schools. - Hale

When we were deciding where to go in third grade, I wanted my boys to visit both schools and have them help make the choice. I emphasize here

that there was a CHOICE. I thought that it would end up being the other way around and that my son Hale would love the learning environment in Fireweed. I was wrong. He was the one who let me know that it wasn't a good fit for him. He needed more structure and has done well going to West Homer.

I believe that kids, as well as adults are not cookie cutters. We don't all learn the same, we don't all react and play the same. It is essential that there are choices for us to learn and grow as we become adults and our potential is achieved. If all teachers taught in exactly the same way, using the same methods, we would lose a lot of good students who just don't get it. I feel that you must realize this and would agree that kids or adults don't learn the same way.

My reason for writing to you now is that I know you are trying to make a decision for Fireweed as to whether or not charter schools we will be allowed equal funding as opposed to public school children. I support all the work you have previously done to help put schools around the state on an equitable playing field. As much good progress that has been made, however, there is still much that needs to be done. I do not feel that it is equitable among schools here on the Kenai Peninsula. You know as well as I do that communities where wealthy people live, support the schools through taxes and their children and therefore have more opportunities for learning. They may have more field trips, more books in their library, better facilities, but it doesn't always ensure that the quality of teaching is the same.

I was naive to think that West Homer and Fireweed students and teachers could work together collaboratively and learn from each other. I thought that all the kids, being the same ages could work in groups and that teachers who are all there because they value education could see that each approach had merit. These kids play hockey together, soccer, Little League and go to church at the same places. They are all kids, but all very different with different backgrounds and needs. We, as adults must provide for these differences by providing quality options that fit the needs of the students.

I encourage you to take a fair look at the way charter schools around the state are funded during this legislative session. Please support the growth of Fireweed and what they are trying to achieve with their students. I appreciate you taking the time and energy to ensure the bright future of all our students in the school district. And I am thankful that I had a choice that would meet the needs of both my children.

Mo Wilkinson

pg. 2 of 2