Ideas for Student Activities Funding

1) Pick-Click-Give--- We should qualify for this program if we formally organize a group and register it with the IRS by applying for 26 U.S.C. 501(c)(3) tax exempt status as an organization supporting student extra-curricular activities. There is a $250 application fee. The application form is on-line at http://www.pfd.state.ak.us/ It is required that the 501 (c)(3) status be in place for two years prior to submitting an application and that submission of yearly Form 990’s be on file with IRS. Applications must be submitted by March 31st of the year in which a check-off on the PFD form is requested. Thus if we wanted to be included as a qualifying recipient organization for the 2014 PFD Pick-Click-Give program we would need to form a group, apply for 501 (c)(3) status, and make an application by March 2012. In 2011 the Pick-Click-Give program received donations of $1.5 million from 19,000 Alaskans. The largest disbursement was $69,374 to Alaska Public Television while $53,000 went to the Alaska Food Bank and $35,673 to Friends of Animals.

2) Activities Support Club-- Several people have advanced the idea of organizing an Activities Support Organization to collect funds to support activities scholarships, travel, purchase equipment, etc. I was talking to Elliot Bruhl over the weekend about the concussion policy and he again brought up the idea saying that there is probably a pool of potential supporters who would be willing to pony up funds--$250 to $1000-- for “graduated” membership. The funds for such a venture apparently can be held by the district outside the general fund and not count against the cap. In addition to “premium” memberships at various levels it could accept smaller bequests. Looking ahead such an organization could apply for 501 (c)(3) status and be the vehicle through which we qualify for Pick-Click-Give. We would need a catchy name and an advertizing pitch, etc. Apparently Ketchikan and Juneau have similar organizations and I am trying to contact their boards for confirmation. I do recognize we have, in effect, mini-support organizations involved in each sport and activity.

3) “Sin Taxes”-- It turns out I was 50% incorrect in the assertion we could not add additional taxes on tobacco and alcohol sales at the local level. Adding taxes on alcohol above that level collected as local
sales tax is prohibited by statute. However local excise on tobacco is permissible beyond the sales tax rate as long as the tax is collected more or less at the wholesale level and as long as the tax is approved by the voters on a ballot initiative. There is an extra $1/pack tax collected presently to fund the Sitka Community hospital that was approved by voters several years ago; we could approach the Sitka Assembly with a proposal to up the tax to $1.50-$2.00 and dedicate the extra $0.50 to $1.00 to school activities. Such would have to be put on the fall ballot for voter approval. I spoke today to Theresa Hillhouse, Municipal Attorney, and she is sending me more information on the subject which I will share by the Dec 1st meeting.
Play dough

Fundraising the name of the game for high school activities

By RICHARD LARSON

It takes a village — or in Kayhi's case, a small city — to run a high school activities program.

The amount of time, money and effort needed to keep the ball rolling in Ketchikan is astronomical.

Even more impressive is that it gets done every year. Local businesses continuously dig deep to fund the programs; parents and players annually find the time and money to stay involved; and coaches and administrators function daily on little money and less sleep.

"The community support we get is incredible. I'm humbled by their generosity," fourth-year Kayhi boys basketball coach Eric Stockhausen said.

"The willingness of kids and parents to put the time in to make events happen, and of the community to invest in our youth year after year, is amazing to me."

Through a variety of means, the Ketchikan School District funds the basic necessities, including salaries and conference travel. In 2010, Kayhi had a $326,500 budget to fund programs.

The school has a budget of $331,000 for the 2011-12 season. That amount is far short — about a third — of the total amount needed by the athletic teams and academic clubs to make it through their seasons. Covering the rest of the expenses needs to be raised by each team or club.

Depending on the year and the number of trips teams are making, estimates from coaches, administration and the activities office say the additional funds to be raised ranges from $500,000 to $750,000. And they have to do it every year.

Volleyball, swimming and diving, cross country, wrestling, boys and girls basketball, drill team, cheerleading, track and field, academic decathlon, pep band,

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Activites funding

honors music, football, boys and girls soccer, baseball, softball, and drama, debate and forensics clubs all rely on community support.

"The parents of the kids involved, they understand fundraising," Kayhi Principal Sam Nelson said. "Two-thirds of the job for coaches is fundraising. The positive side is that they do raise that money. The community comes forth and donates $500,000 to the teams."

The total cost would be even higher if it weren't for people donating time to help with activities.

"Thousands of hours are donated by people working the doors at events, or as chaperones or officials," Vice Principal Mike Rath said. "And it comes out to probably a nickel an hour for how much time coaches put in."

Between practices, fundraisers, making game plans, talking to other coaches and getting and studying game film, Stockhausen estimates he puts in close to 100 hours a week between his teaching and coaching jobs during the basketball season.

"I'm typically getting four or five hours of sleep a night, for four or five months during the season," Stockhausen said. "It's all encompassing, but that's the job you sign up for. The support in Ketchikan is unbelievable, from the people in the grandstands to everyone that helps represent and promote the existence of basketball here."

He's not the only coach putting in massive hours.

"During the season, get a calculator — it's hard to add up," said Kayhi football coach Steve McLaren, who commented for this story before the end of the football season and his ensuing resignation as head coach. "A good estimate, I would say, would be 400 to 500 hours just during the football season. Throughout the year probably another 200 to 300 hours are spent opening the weight room, ordering gear, taking inventory, and I'm probably missing some stuff."

FUNDING

According to Kayhi, in the 2010-11 school season, the activities department raised $35,614 through gate receipts — mainly from basketball, whose receipts help fund all of the sports programs. Participation fees raised an additional $52,422. Each student pays $150 to participate in one school sport or activity and $50 for each additional activity, with an individual cap of $250 and a family cap of $500. Some sports, like football, have additional fees to cover uniforms and other expenses.

The activities office also raised the reserve fund — money left over from previous budget and donations, including coaches donating salaries — for an additional $15,431 — and that was just so the school could cover the basics, getting each team to its away conference games.

"The first year I was here, the amount received from the district was down, but it is starting to go back up," Principal Nelson said. "It's still down from where it was years ago, though. Half of the [local school activities funding] from the borough goes to cover salaries."

For 53 coaches, assistant coaches and advisers, the total budgeted coaching salary in 2011-12 is $130,852 — a per person average of $2,469, although the salaries vary from $735 to one pep club adviser to $10,810 total coaching salaries, including as tants, for each of the basketball teams.

The 2011-12 school year budget $331,539 covers coaches salaries, limited travel, and other expenses, including uniforms and limited busing.

With the region tournament Ketchikan this year, the boys and girls basketball teams have two out of Southeast trips covered for a total of 16, including players and coaches.

On those two trips they get a per diem for food and a hotel budget. Remaining trips and expenses, including possible trips to the state tournament, need to be covered by the team.

The Academic Decathlon squad funded for two Southeast trips for traveling party of 11. A one-time $100 to a music festival in Sitka funded at a cost of $28,440.

Everything above and beyond to one to four trips funded by the school each program has to pay for.
garbage, helped people move, loaded and unloaded trucks, stacked cords of wood. We’ve moved a lot of things around for individuals and businesses. We’re always doing something.

The day before regionals, the cross country team held a spaghetti feed. Two days after returning from California, the volleyball team held a Halloween-themed festival with dinner, a silent auction and other activities. The wrestling team has been out selling pizzas. The basketball teams are holding a 3-on-3 tournament this weekend. Almost every week, a team at Kayhi is having a fundraiser. They also go knocking on doors of local businesses, asking for help.

"When you need to raise that much money, businesses are hassled by just about everybody," Stockhausen said. "We have a limited amount of businesses in town with limited capital for donations, and they’ve been unbelievable in helping everybody."

The effort expended on fundraising takes away from time athletes have for practicing or focusing on school work. Any increase in funding from the district would give players and coaches more time to focus on their respective activities.

"Last year we had 13 fundraisers in 14 weeks," Kayhi volleyball coach Naomi Michelsen said. "It takes away from court time — coaching, practices and academics. It’s not that we can’t do fundraising, but there has to be a limit. Budgets are really tough. We understand that money is tight, but you have to prioritize what it is that we want for our kids in Ketchikan."

The teams try to stretch their travel dollars as far as possible. But when traveling in Alaska, that’s not always easy.

"We took three trips last year, which cost over $40,000," Stockhausen said. "We are frugal when we travel. We don’t stay in hotels; we stay in places that don’t cost any money. We don’t get new stuff very often, but every year we still have to raise at least $30,000. The fact that we’ve been able to do that is a testament to the kindness and generosity of our community."

"I love the community," McLaren said. "A lot of businesses get hit up a lot for this sport and that sport. They shouldn’t have to be hit up 20 times a year to fork out another 100 bucks —"

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Activities funding

that's tough on our local businesses — but they do it. And on top of that, our players are putting in hours doing fundraiser after fundraiser in addition to their practice on the field. And we have a fee on top of all that."

And it's not just Kayhi that the community supports. Middle school athletes, city leagues and others also are fundraising constantly.

TRAVEL

Almost all of the fundraising goes toward one thing: travel.

No matter who Kayhi plays, the teams can't just get on a bus and drive to the game.

Even a simple trip to Metlakatla, a mere 15 miles away, involves a 90-minute ferry ride each way. Most trips are much more complicated than that.

For the eight 4A teams in the Anchorage area — along with the three large schools in the Mat-Su valley — less than an hour away — scheduling is less complicated and less costly. Even Juneau, with direct flights to Anchorage and Fairbanks, has a travel itinerary that Ketchikan can only envy.

The cheapest way for Ketchikan teams to travel is by ferry, which is also the most time-consuming. A direct ferry from Ketchikan to Juneau takes 24 hours. Getting to Sitka can take much longer.

During the school year, time is at a premium. Because teams work to avoid missing too many school days, many trips wind up as ferry-fly excursions, with the team taking the ferry one way to save money, but flying back to save time.

Kayhi gets a huge discount on Alaska Marine Highway System tickets, as much as 50-percent off, according to former activities coordinator Rhonda Bolling, but the ferry schedules are not as conducive to the school's schedules as they once were.

"Almost all our trips are overnight," Michalsen said. "We can ferry everywhere, but miss a lot of school. We have relied on the ferry schedule since sports began in Ketchikan, but this year we will ferry one way and fly back. It's more expensive, but they miss less school. It all comes down to how it affects the kids. We want them to get good grades."

Teams leaving on a 2 p.m. ferry from Ketchikan arrive in Juneau at 2 p.m. the next day. The flight back can take as little as an hour.

"If you ferry-fly, you miss three and a half days of school," Michalsen said. "There has to be a limit on how much school you miss."

Teams occasionally arrive back in Ketchikan early on a Monday morning. Although the players are required to make it to school that day, the travel can take a toll on their attentiveness.

PAYING FOR OTHERS

Not only does Kayhi have to pay when it travels somewhere. It also has to cover expenses for visiting teams from other parts of the state.

"That's Southeast," said Kayhi Principal Sam Nelson. "They won't come if we don't pay for it. It won't happen and the state won't force them. Kodiak and Barrow have the same problem."

Paying for teams to visit Ketchikan, instead of paying for road trips, actually can be more cost-effective for Kayhi, especially for the basketball teams with their larger gate receipts. The Kayhi football team combined two road games into one trip — to Monroe and Delta Junction — in order to save money, but still canceled a home contest against Barrow, largely because of the at least $10,000 it would cost to bring the Whalers to town.

"We're not living in the lap of luxury (on the trips)," said McLaren, who stepped down as football coach partially because the amount of time spent fundraising was keeping him from spending time at home. "The kids are paying for all their expenses on
'The influence a coach gives might be something that they don't get at home. They learn discipline, confidence and teamwork and it keeps them in school.'

— Steve McLaren, former Kayhi football coach

HELPING THE COMMUNITY

Sporting events in Ketchikan, especially basketball games and other tournaments, have a financial impact on the community. Businesses that fund Kayhi athletics see some return from people visiting town along with their schools.

"It's better for us for basketball to pay a team to come down, than to pay for us to go up there," Nelson said. "Any team that comes down, their fans are going to come, too. It's a win-win for the community. It's like having a big cruise ship in town, but it doesn't come as often. If you have five or six families fly down on their own nickel to get away from the 20-below weather up north for our 30-degree and rainy weather."

Former activities coordinator Rhonda Bolling put together an impact report which estimated that in 2007-08 the total economic impact on the Ketchikan community just from visiting teams was $745,644, with more than a third of that coming from the small schools basketball tournament held in town that year.

Bolling used numbers based on the Ketchikan Visitors Bureau for hotel stays — $246 per person per night — and an estimated average of $35 spent per player per night for teams being housed by local parents and those staying overnight in the school. The money covers everything from food bought in town to supplies bought by visiting teams.

"It's crazy that Kayhi gets $331,000 for activities, but its costs about $1 million to operate the activities budget," Bolling wrote in an email to the Daily News. "Sure we get about $51K from activity fees, and money from gates and money from concessions and vending machines, but these coaches and teams are easily still having to fundraise about $750K out of our community. ... but, activities bring in about $750K to our community."

WHY SPORTS ARE IMPORTANT

Sports are not a panacea for all ills facing teenage kids, but studies repeatedly show that being involved in athletics or other extracurricular activities leads to improved physical and mental health, keeps kids out of trouble and results in better grades. And the community also feels a certain amount of pride and ownership when a certain school, for instance, beats Juneau.

James Pivarnik, president-elect of the American College of Sports Medicine and a professor of kinesiology at Michigan State University in East Lansing, found that middle-school students who performed best on fitness tests also performed better academically.

His report goes on to state that "experts speculate that exercise may boost academic performance in various ways, including: burning off pent-up energy and allowing kids to pay attention better and focus on their work; boosting self-esteem and mood; and increasing blood flow to the brain, helping with memory and concentration."

According to a 2008 report from the University of Minnesota Department of Sociology, "research has time and again demonstrated a strong and positive relationship between sports participation and school performance. Kids who are involved in school sports tend to perform better in school than kids who don't."

The Minnesota report refers to a 1990 study that says the reasons for sports having a positive benefit for kids may come from "increased interest in school, the need to maintain good grades to stay eligible, increased attention from adults like teachers and coaches, membership and interaction with educationally oriented peers, college aspirations for sports participation."

According to the YMCA, "teens who do not participate in after school programs are nearly three times more likely to skip classes or use marijuana or other drugs; they are also more likely to drink alcohol, smoke cigarettes and engage in sexual activity."

"It's a never-ending job," Stockhausen said. "You are worried about kids making it to class on time, doing good things in the community, showing good behavior in school. It's not just about basketball. It's making sure that everybody is doing all the things they need to do. We don't want basketball to dominate life. We want the kids to be good citizens in the community."

The cost of sports in Ketchikan can keep some kids from participating.

"The kids that are going to drop out, the ones that sports could make a difference in their lives, are often the kids that can't afford to get involved," Kayhi's Nelson said.

"We have kids on the football team that don't play any other sport; they live for football," McLaren said. "We have a lot of kids who are on the edge. We may not have won as many games as we wanted to, but I feel like we are making a difference in a kid's life."

"The influence a coach gives might be something that they don't get at home. They learn discipline, confidence and teamwork and it keeps them in school."

The hefty fees for football can keep out some of the players who might be helped most by the sport.

"It's $150 for the first sport and a $450 (football) fee on top of that," McLaren said. "It keeps some kids out. Unfortunately it is a necessary evil. We haven't figured out a way around that and still make the program function. We do have some people who put up money, like scholarships, for kids that can't afford it."

"We tell parents and kids to not let money be the reason they don't play. But some kids are embarrassed to take it. Money probably keeps five, six kids a year from playing. Some of those low-income kids, good kids, just don't have $600 to put down to play football."

Although the hours are daunting, and the challenges never-ending, there are also rewards for coaching in Ketchikan.

"This is, in my opinion, the best basketball community in Alaska and nobody comes close," Stockhausen said. "There are great facilities and great support. The only setback is the amount of funds it takes to run a quality program."

"We have the best group of people in our area..."
To all: Attached is a note from Theresa Hillhouse, Municipal Attorney.

As you can see court precedent dictates that imposition of excise on alcohol at the local level beyond the sales tax rate is prohibited. However, it is permissible for a local government to impose an excise beyond the sales tax rate on tobacco provided the tax is imposed at the inventory level and is approved by the voters on a ballot measure. As I remember from the time Sitka voted to impose a $1/pack tax on cigarettes much of the opposition came from distributors because of the extra work and expense of applying an inventory tax. If we wish to pursue this we would need to approach the Borough Assembly about getting an appropriate measure on the next (?) ballot. The ballot would need to designate school activities as the recipient of the tax revenue collected. We would also need to decide the rate--$0.50 or $1.00/pack and a % rate on cigars, chewing tobacco, snuff etc. Likely we would need some legal advice in writing the ballot measure and likely would also need some advice on how to sequester the funds for that purpose. Tom

From Thereesa Hillhouse:

You inquired on behalf of the Sitka School District re other revenue measures, such as sin taxes on alcohol and tobacco. Alaska municipalities are limited in the types of taxes they can imposed by Alaska State laws. The permitted types of tax laws are either sales/use taxes or property taxes under AS 29, with certain restrictions on municipalities even within those types of taxes. The only other types of tax authority granted municipalities in Alaska is very specific, and must be authorized by state law (cigarette inventory tax). As far as taxes on alcohol, alcohol sales are currently subject to a sales tax. The sales tax rate for alcohol must be set at the lowest rate for other products taxed, based on an Alaska Supreme Ct. case of Lagos v. City and Borough of Sitka, 823 P.2d 641 (Alaska 1991). Any other type of tax on alcohol is limited by ABC (Alaska Beverage Control) laws, which generally only allows taxing alcohol through a sales tax or a use tax (based on inventory when a "damp" community does not allow for sale but only use of alcohol). As far as taxes on tobacco, a sales tax is currently imposed at the same rate as other products/services. A differential tax rate could be imposed that would increase this tax rate. However, it would have to be approved by the voters. Sitka Charter at Art. 13.01C. As far as a personal property tax assessment on
tobacco, this is basically addressed based on the excise tax (tax on inventory) passed by Sitka voters that funds the Hospital, as incorporated into the Sitka Charter at Art. XX