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## Governor Sean Parnell STATE OF ALASKA

January 23, 2014

The Honorable Mike Chenault  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Chenault,

Alaska's future depends on the educational opportunities we provide to our children, and we must continue to raise the bar for all students so they are well prepared for success. Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill that supports family involvement and improves student achievement. No one knows better how to help a student succeed than his or her own family. The measures in this bill will increase opportunity for families to make wise choices regarding their student's education, ensure that the essential needs of Alaska's students are met, provide flexibility in assessment of achievement and the earning of necessary educational credits to suit an individual student's needs, and incentivize broader opportunities for students as they prepare to enter Alaska's workforce.

### **Charter School: Increased Opportunities**

Alaska's current charter school law is one of the most restrictive in the nation. This bill would remove barriers that currently prevent opportunities for charter schools to be expanded. Local school districts have sole authority to approve or deny charter school creation. Under the measures of the bill, an applicant would have an avenue of appeal through the Commissioner of Education and Early Development if the application is denied by a local school board. The appeal option would provide additional oversight to ensure fairness in the charter school application process, and provide opportunity to replicate schools with proven records of success instead of forcing students to remain on waiting lists.

This bill will also ensure that all funding will follow a charter school student for the purpose of determining a charter school budget. As charter school students are already a part of the public school system, the additional provision regarding the funding is intended to enhance parity between charter and traditional neighborhood schools.

### **Residential School Application and Stipend**

The bill will also remove barriers for providing more residential schools for our rural students and encourage the private sector to support this successful model. The bill would require that the

Department of Education and Early Development open an annual application period for new residential schools to expand opportunity for districts to offer this option to students and their families. Current law does not indicate how often an application period will be opened. The bill would also increase the stipend allowed for room and board for residential schools. This stipend was increased in the 2013 legislative session, but still does not cover the actual costs of residential schools, and the bill is an effort to close the gap.

### **Tax Credit Contributions to Residential School Housing and Scholarships**

The bill would provide corporate income tax credit for cash contributions made for the construction, operation, or maintenance of residential school housing facilities. Taxpayers could also receive credit if they provide funding to a nonprofit organization that awards scholarships to dual-credit students – high school students who simultaneously receive college and high school credit for a course. The tax credits offered under this bill are intended to encourage a public-private partnership directed toward improving educational opportunities in Alaska.

### **Increasing the Base Student Allocation**

This bill will provide for a three year plan to increase State funding through the base student allocation (BSA) formula. The allocation has not been raised since 2011; however, during that time, funding for fuel and utility costs has been provided outside the formula as those costs fluctuate – that funding is already included in my FY2015 budget. The proposed BSA increase recognizes that instructional costs have also gone up and that a modest increase will provide relief to school district budgets in support of delivering quality education to Alaska's students. I welcome the Legislature's consideration of these fundamental needs.

### **Alaska Career and Technical Education Program**

In order to provide continued opportunity and choice to students as they prepare for the workforce, this bill would reauthorize through 2024 the Alaska technical and vocational education program, also known as career and technical education, which under existing statute is authorized only through June 30, 2014. The bill aims to encourage institutions receiving financing through career and technical education program to offer courses that permit high school students to earn dual credit upon course completion.

### **Competency Exam Repeal**

This bill would repeal the requirement of AS 14.03.075 that secondary students pass a competency examination, also known as a High School Graduation Qualifying Examination, as a prerequisite for receiving a high school diploma. Based on the State's experience with the competency examination to date, little is being gained from use of the test, despite its significant cost in terms of funding, and staff and student time lost to instruction. Due to robust accountability measures that have been put in place since the competency exam was originally enacted, it is time to offer our students a more effective option.

Students would instead be required to take a college and career readiness assessment to qualify for a high school diploma. "College and career readiness assessment" would be defined in the statute as the SAT, ACT, or WorkKeys assessment. No minimum score would be designated. Rather than the one-size-fits-all approach of the competency exam, these assessment options provide data that allow

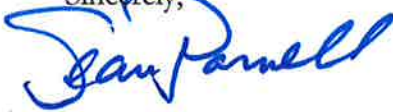
schools and districts to more accurately gauge effectiveness of their training and educational programs relative to student readiness for post-secondary opportunities and also provide valuable information for students and their families to plan successfully for those opportunities. The Department of Education and Early Development would provide funding for a single administration of a readiness assessment for each secondary student, allowing students to choose which assessment best meets their individual goals. Because these assessments are already used as qualifying assessments for the Alaska Performance Scholarship (APS), every high school student will have opportunity for his or her achievement to be evaluated for APS, without additional cost to students and their families.

#### **Course Credit Earned by Assessment**

This bill would require that a school district provide a high school student an opportunity to "test out" of a class. The requirement would apply to classes offered in the school in mathematics, language arts, science, social studies, and world languages. The student would prove mastery through a district-approved assessment and receive academic credit for the class toward his or her graduation. This change would encourage students who have the skills to advance more quickly through the high school curriculum and broaden the range of classes available to them, while allowing teachers to invest more fully in students who have not yet mastered the subject at hand.

Ensuring that Alaska's students are adequately prepared for post-secondary education, training, and the workforce is paramount for a bright future, as is increasing the number of options available for each family to make the right educational choices to suit each student. I urge your prompt and favorable consideration of this bill.

Sincerely,



Sean Parnell  
Governor

Enclosure