

**Comments by Rep. Lynn Gattis to the House Finance Committee,
March 17, 2014
Summary of Individual Components and HEDC amendments
to CSHB 278 (N)**

The Governor's Education bill came to us in late January and we immediately began hearing it in House Education. Recognizing that the bill had many different aspects related to education in it, the Committee determined very early on that the bill would need to be broken down into its various components and heard in segments.

We identified at least ten different components of the bill and though some of them overlapped, we spent several weeks hearing the bill by the various topics. We had several presentations from DEED and from the DOLWD. We heard several hours worth of expert testimony and even more hours worth of public testimony.

Last week we began the arduous but thoughtful process of presenting our amendments. The Committee dealt with two dozen amendments and the result of those that passed is in front of you in CSHB278, version N.

To begin with, there are some changes in this version of the bill that are the work of the Legislative Legal department simply for clean – up and conformity purposes. But the bulk of the work is the result of the Committee's work, so here is a summary of that activity by the topical components.

Section 1 is the High school course credit earned through assessment. The Governor's bill provided for "testing out" for students who could prove mastery of a subject through an assessment rather than having to do required "seat

time” in a classroom and thereby a student can receive credit for that course if the established “mastery” or proficiency rate on the assessment is reached.

The House Education Committee amended the bill with language similar to HB190 – which provides for the development of more course assessments to be made available to students other than just those courses that are required courses for meeting the criteria of the Alaska Performance Scholarship Program.

Sections 2, 3 and 4. These sections deal with eliminating the requirement for passing the HSGQE and the Committee amended out any requirement for the state to pay for a student to take a post-secondary test such as the ACT, SAT or WorkKeys. The current requirement from the State Board of Education for high school Juniors to take the Work Keys test is not impacted by this potential change. The Committee amended in the requirement for determining and reporting on the number, the attendance rates and the performance of students whose parents are active duty military. The effective date for the transition regarding these sections was amended from June 30, 2017 to June 30, 2015.

Section 5 begins the sections that deal with charter school applications, appeals and programs. The first segment regarding charter schools was amended to add language allowing the State Board of Education to be an alternative authorizer of a charter school. Though the bill’s initial language

states that a denial from a local district for a charter school application could be appealed to the Commissioner and then could be approved by the Commissioner, the Committee amended that portion to state that the State Board of Education could become the charter school's chartering and operating authority so a charter school would not have to try to operate within a hostile environment of a district that initially denied it. The amendment however, does provide for giving the local district a chance to appeal and request that it become the operating authority. This section was also amended by the Committee to limit the length of time by which a local board had to make its decision to approve or deny to 60 days.

If you move onto Section 8, you will see where the Committee amended that section to add that a charter has the right of first refusal for leasing of available space of school district facilities and that the district can charge a reasonable fee that reflects the true operational costs of that facility.

Section 9 limits the amount that a district can charge in indirect cost fees to 4%.

Skipping onto Section 12; it was amended by the Committee to require that school districts formulate policies and thoughtfully address the transportation challenges of their charter school students. Districts would be charged with

coordinating transportation routes and transportation availability as best they can within their current transportation plan in order to provide transportation where and when feasible. If not, the districts will have to forfeit the portion of their transportation funds generated by the number of students attending the charter school and hand that money over to the charter school. It does not require the district to specifically provide transportation for students but they do have to allow charter school students to take advantage of normal bus routes whenever reasonably possible.

In Section 13, the end of that section was amended to allow for bonding by a municipality or borough for construction, additions and major rehabilitation projects for charter schools. This will allow for a 70% debt reimbursement of bonds for charter schools.

Though it seems a little out of order Section 17 was added in to decrease the minimum number of students required for establishing the funding rate for a charter school within its first three years, and allowing the adjusted student count to be counted at the same rate as for 150 students.

Looking back at Sections 15 and 16, the Governor's bill provided for an improved application process for creating new residential schools and for an increase in the stipend to more accurately reflect the actual audited costs of

boarding school students and the House Education Committee simply amended Section 37 to provide for an effective date of July 1, 2014 replacing the Governor's date of Sept. 1st.

Sections 18, 19 and 20 deal with the Base Student Allocation increases. The committee did not address the component of the bill that deals with the BSA but decided from the beginning that that was an issue better discussed in HOUSE FINANCE so the Committee passed that portion unamended.

Section 21, Technical and Vocational Education Programs (TVEP); the percentages for the funding allocation were amended in order to add another program to the list of supported programs. The U of A percentage was decreased to 42% and the Southern Southeast Alaska Technical Education Center was added at 3%.

Section 22 was amended to add more reporting requirements to verify the performance results of those programs.

Moving on to Section 25 and the Tax Credit component of the Governor's bill – this section further defines the items that can be identified as costs, and added a tax credit for contributions made to early learning and childhood development programs to include those provided by a for-profit corporation. This section was also amended to clarify that this tax credit applies to those

contributing to post-secondary schools or institutions within the state, not outside. That language is repeated in Sections 26, 28, 29, 31, 32, 34 and 35.

Section 37 repeals Section 3, ch. 91, SLA 2010 which will remove the sunset date and that will allow Alaska to continue to seek federal grants for providing start-up funds for new charter schools.

The amendments made by the House Education Committee make our charter school environment even stronger in the state of Alaska, they further reduce unnecessary testing requirements in our state and the costs associated with testing and improve incentives for corporations and organizations to support our vocational opportunities and the learning opportunities of our youngest students. The amendments will more effectively support the Governor's efforts to improve our education system in our state.

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