

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON EDUCATION

April 20, 2001
9:09 a.m.

MEMBERS PRESENT

Representative Con Bunde, Chair
Representative Brian Porter
Representative Joe Green
Representative Peggy Wilson
Representative Gary Stevens
Representative Reggie Joule
Representative Gretchen Guess

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Bettye Davis

COMMITTEE CALENDAR

HOUSE BILL NO. 105

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 105

SHORT TITLE: FOUNDATION FORMULA INCREASE

SPONSOR(S): REPRESENTATIVE(S) STEVENS

Jrn-Date	Jrn-Page		Action
02/05/01	0236	(H)	READ THE FIRST TIME - REFERRALS
02/05/01	0236	(H)	EDU, HES, FIN
02/09/01	0287	(H)	COSPONSOR(S): HAYES
03/19/01	0655	(H)	COSPONSOR(S): DAVIES
03/22/01	0697	(H)	COSPONSOR(S): LANCASTER
03/28/01		(H)	EDU AT 8:00 AM HOUSE FINANCE 519

03/28/01		(H)	Scheduled But Not Heard
04/04/01		(H)	EDU AT 8:00 AM HOUSE FINANCE 519
04/04/01		(H)	Scheduled But Not Heard
04/10/01	0939	(H)	COSPONSOR(S): HALCRO, SCALZI,
04/10/01	0939	(H)	MURKOWSKI, CHENAULT
04/20/01	1103	(H)	COSPONSOR(S): CROFT
04/20/01		(H)	EDU AT 9:00 AM HOUSE FINANCE 519

WITNESS REGISTER

MIKE MURPHY

PO Box 1062

Nome, Alaska 99762

POSITION STATEMENT: Testified on behalf of Nome public schools
in support of HB 105.

MELODY DOUGLAS, Director of Finance
Kenai Peninsula Borough School District
148 North Brinkley Street
Soldotna, Alaska 99669

POSITION STATEMENT: Testified in support of HB 105.

JOHN HOLST

PO Box 1954

Sitka, Alaska 99835

POSITION STATEMENT: Testified on behalf of the Sitka School
District in support of HB 105.

DAVE JONES, Director of Finance
Kodiak Island Borough School District
722 Mill Bay Road
Kodiak, Alaska 99615

POSITION STATEMENT: Testified on HB 105.

DARREN SANBORN

PO Box 510

Unalaska, Alaska 99685

POSITION STATEMENT: Testified on behalf of the Unalaska City
School District in support of HB 150.

DEBBIE OSSIANDER, Member

Anchorage School Board

PO Box 670772

Chugiak, Alaska 99567

POSITION STATEMENT: Testified in support of HB 105.

WOODY WILSON, Superintendent
Wrangell Public School District
PO Box 2319
Wrangell, Alaska 99929
POSITION STATEMENT: Testified in support of HB 105.

REBECCA O'HARA, Parent
Parent Teacher Association
Anchorage School District
2400 Nancy Circle
Anchorage, Alaska 99516
POSITION STATEMENT: Testified in support of HB 105.

DAN BECK
PO Box 527
Delta Junction, Alaska 99737
POSITION STATEMENT: Testified on behalf of the Delta/Greely
School District in support of HB 105.

RICHARD KRONBERG, President
National Education Association-Alaska
3511 Chiniak Bay Drive
Anchorage, Alaska 99515
POSITION STATEMENT: Testified on HB 105.

ROD McCOY, Region VI Director
National Education Association-Alaska
7749 Old Harbor Avenue
Anchorage, Alaska 99504
POSITION STATEMENT: Testified on HB 105.

CRAIG BAKER, Teacher
Kodiak Island Borough School District
PO Box 8514
Kodiak, Alaska 99615
POSITION STATEMENT: Testified in support of HB 105.

KRISTI LOHRENZ, Region IV Director
National Education Association-Alaska
PO Box 3229
Mountain Village, Alaska 99632
POSITION STATEMENT: Testified in support of HB 105.

CARL ROSE, Executive Director
Association of Alaska School Boards
316 West 11th Street
Juneau, Alaska 99801

POSITION STATEMENT: Testified on HB 105.

LUCY HOPE, Teacher
Matanuska-Susitna Borough School District
125 West Evergreen
Palmer, Alaska 99645

POSITION STATEMENT: Testified on HB 105.

ACTION NARRATIVE

TAPE 01-28, SIDE A
Number 0001

CHAIR CON BUNDE called the House Special Committee on Education meeting to order at 9:09 a.m. Members present at the call to order were Representatives Bunde, Porter, Green, Wilson, Stevens, and Joule. Representative Guess joined the meeting as it was in progress.

HB 105-FOUNDATION FORMULA INCREASE

[Contains discussion of SB 48.]

CHAIR BUNDE announced that the committee would hear testimony on HOUSE BILL NO. 105, "An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date." He stated that he is not planning on moving the bill today.

Number 0113

REPRESENTATIVE STEVENS, sponsor of HB 105, made a motion to adopt the proposed committee substitute (CS) for HB 105, version 22-LS0506\C, Ford, 4/20/01, as a work draft.

REPRESENTATIVE JOULE objected. He asked, "What's the difference in this: that we would reduce the amount that would go into the formula?"

REPRESENTATIVE STEVENS responded that this reduces [the formula increase] from \$29 million to \$20 million. He stated that the difference brings the total [increase], per student, down from \$147 to \$101.

REPRESENTATIVE JOULE asked why it was changed.

REPRESENTATIVE STEVENS replied that there is support for \$20 million but not for \$29 million.

CHAIR BUNDE remarked, "It may be a case of infinite need by finite resources."

Number 0288

A roll call vote was taken. Representatives Stevens, Porter, Green, and Bunde voted in favor of adopting the CS for HB 105. Representatives Wilson, Guess, and Joule voted against it. Therefore, proposed CSHB 105 was before the committee by a vote of 4-3.

REPRESENTATIVE STEVENS stated that it is hard for him to [sponsor] this proposed CS, but he thinks this is a reasonable compromise. Certainly, he said, one of the most important things done in the legislature is to fund education. Education has taken a tremendous hit in the last few years; yet more is being demanded of the system in terms of the exit exam. Also, he stated, there are increasing problems in terms of finding and retaining qualified teachers and administrators. He noted that in the last ten years there has been a 30 percent increase in the cost-of-living index but only a 5 percent increase in the funding formula, which is putting a tremendous strain on the districts and boroughs. He explained that the foundation formula is based on a specific dollar amount per student. The base student allocation established in 1998 was at \$3,040 per student and has not changed since. This proposed CS increases that allocation by \$101 per student

MIKE MURPHY testified via teleconference on behalf of Nome public schools. He stated:

I'm in favor of this increase, albeit it's really not enough, ... [an] example being, in fiscal year '97 we received \$5,100,000 in state-aid foundation money and in fiscal year 2002 we'll be receiving \$4,929,000, basically for the same amount of students. Over the years our foundation money has [been] going down because of factors involved in figuring it out, and yet costs keep going up. The foundation is not bringing in enough money for us to operate our schools in a desired manner to give our students the best education - especially with all the demands to meet standards. ... In order to meet our desired budget for fiscal year 2002, we're having to come up with

over 40 percent with local effort, which is putting an undue burden on the town itself.

Number 0576

MELODY DOUGLAS, Director of Finance, Kenai Peninsula Borough School District, testified via teleconference in support of HB 105. She stated:

We do want to note that the Kenai Peninsula Borough School District is at the cap, as determined by the foundation formula. The additional revenue realized for this particular amendment - the increase of \$101 - would basically fund a one-year increase on our salary schedule. We're facing about [a] \$1.2 million or \$1.4 million increase annually for our salaries and related benefits.

CHAIR BUNDE remarked that he wanted to thank the Kenai [Peninsula Borough School District] for being responsible in supporting education at the local level.

Number 0649

JOHN HOLST testified via teleconference in support of HB 105 on behalf of the Sitka School District. He stated:

I am disappointed, of course, to see the lowering of it from \$145 to \$101, because my prepared comments were to ask you to raise it to \$200, which is the amount of money our board has budgeted for in the budget that is now in front of the assembly - it will be approved here in another week. We desperately need more help than this. Our heat bill alone ... is going to go up \$85,000. This increase will bring in ... slightly more than that. ... This is barely going to cover that cost. ... This is heading in the right direction by adding money. The CS today is, I'm sorry, heading in the wrong direction, I believe. I think that we need to be increasing it from \$145, not decreasing it.

CHAIR BUNDE asked Mr. Holst if Sitka is at the cap for its local contribution.

MR. HOLST responded that [Sitka] has been at the cap for about six years. He stated that their budget will come up \$450,000

short if they don't get the \$200 figure [per student]. He said the number today is \$225,000 short, in terms of the budget, which will correspond to the elimination of five to six positions. This is in addition to the ten already eliminated this year and the five that were eliminated in the current year.

REPRESENTATIVE STEVENS clarified that, with the proposed CS, Sitka will be up \$230,000, Kenai Peninsula Borough School District will be up \$1,497,000, and Nome will be up \$95,000.

Number 0835

DAVE JONES, Director of Finance, Kodiak Island Borough School District, testified via teleconference. He stated that he wanted to address the need for the additional revenue to be delivered in this particular vehicle.

One of the goals in SB 36 was to provide a system that would provide resources to school districts across the state in an equitable manner. The intent was that future increases in revenue would be distributed through an increase in the base student allocation value. Unfortunately, subsequent funding increases have come in the form of quality schools or learning opportunity grants. It appears on the Senate side they're currently favoring additional dollars through an addition to the learning opportunity grant with specifically designated areas of expenditures. The problem with that is that not all school districts across the state have the same needs. We don't have needs for nursing in Kodiak because we currently provide nurses. We do have needs for additional fuel and electricity charges that we're facing.

So what we'd have to do is, if we got the money in the form of a learning opportunity grant, we would need to move money that we currently had budgeted in those specific areas in our operating funds into the learning opportunity grant. We could then be able to move the money that had been freed up in our operating fund into fuel and electricity. The problem with that is, then, the learning opportunity grants don't count in the 70/30 calculation for instructional expenditures that was required by SB 36. So, in effect, by the money not being put through the base student allocation value, we'd be penalized to meet the requirements of SB 36.

My other concerns with the money coming through the learning opportunity grants are that those numbers do not use the adjusted student account, which was the purpose of SB 36 - to provide equitable distribution. My other concern with learning opportunity grant money versus HB 105, which would be an increase, is that learning opportunity monies are a one-time monies and we cannot provide long-term planning under one-time monies.

REPRESENTATIVE STEVENS remarked that Kodiak would receive \$468,000 with the proposed CS.

CHAIR BUNDE stated that if learning opportunity grants are used, not only would some of the problems that Mr. Jones addressed be prevalent, but also Anchorage would get a much larger share of the money.

Number 1028

REPRESENTATIVE STEVENS remarked that Unalaska would receive a \$44,000 increase with the proposed CS.

DARREN SANBORN testified via teleconference on behalf of the Unalaska City School District in support of HB 105. However, he said he would like to see the foundation formula increased. He remarked that he thinks every time money is put into education it should be put into the foundation formula because that is something that can be counted on.

DEBBIE OSSIANDER, Member, Anchorage School Board, testified via teleconference in support of HB 105. She stated that Anchorage, along with other areas in the state, is no longer able to be competitive in certain areas with employee salaries and employee positions. There have been marked increases in unfilled positions and decreases in ability to attract sufficient qualified staff. She stated that [the Anchorage School Board], for the upcoming year, has cut over \$12 million worth of programs and services just to maintain current levels of services in other areas.

REPRESENTATIVE STEVENS noted that Anchorage would receive \$6,775,000 and Wrangell would receive \$75,000 with the proposed CS.

Number 1212

WOODY WILSON, Superintendent, Wrangell Public School District, testified via teleconference in support of HB 105. He stated that in the case of Wrangell public schools, there has not been an increase in funding in over a decade. He said:

A senior in Wrangell High School today generates \$42 dollars more in state money than when that same student was in first grade. If you think about the 30 percent ... in inflation over that same period of time this student has been in school, you can imagine all the cuts in courses, programs, services in other curriculum areas that we had to make. We need to add to funding to provide an adequate education. ... Inflation in Anchorage this last year, from January to January, was 2.4 percent. Since education funding in the state has been flat, the Association of School Administrators feel that a 5 percent increase would be a good start.

All of you know fuel costs have jumped. ... Five percent would not give schools a large boost, but it would actually be a modest increase, when you consider fuel and insurance. [A] \$145 increase would be a 3.68 percent increase. With 2.4 percent inflation, you'd get about 1.2 percent more money in real money than you got last year. If you reduce it to \$101, that's [a] 2.56 percent increase, and it only keeps up with inflation. ... We would ask you to reconsider and put more money in this formula for kids. ... Something that the legislature should also be asking is, "How much local money do communities put behind their kids?" In the case of Wrangell, we put \$2,500 in local money behind our kids. That's at the cap; that's all we can do.

Number 1377

REBECCA O'HARA, Parent, Parent Teacher Association (PTA), Anchorage School District, testified via teleconference. She stated that she believes strongly in public education. She said:

I have watched and been aware of the education funding process for about ten years, and I have seen the effect of the shrinking education dollar in Anchorage. The Anchorage School District is not what it was ten

years ago. Programs have been eliminated, maintenance has been seriously delayed or left completely undone, curriculum updates have been delayed or set aside permanently, and teacher salaries are no longer competitive. ... I appreciate that this state has faced declining revenues and have understood the need for a tightening of the belt. However, the line between the tightening of the belt and cutting off the air has been crossed, in my opinion. Education costs have increased and funding has not kept up. We need to loosen the belt another notch to get some breathing room.

So, as a parent I'm grateful that class size has been a priority of the Anchorage School District administration; that we have dedicated teachers [who] routinely go above and beyond what is required of them; that we have curriculum standards; and that we have so many involved volunteer parents. My concern is that at the current level of funding Anchorage schools cannot sustain their current services or expand services when and where necessary. Therefore, I, along with Rabbit Creek Elementary PTA, Golden View Middle School PTA, the Anchorage Council of PTA, and the Alaska State PTA, support this increase in the base student allocation on the funding formula. This increase will enable schools around the state to use the funds, as needed, locally to maintain and better our schools.

Number 1495

DAN BECK testified via teleconference on behalf of the Delta/Greely School District in support of HB 105. He stated that he is representing one of those districts that do not support education through local effort. He said:

One of the solutions is Senator Wilken's bill, SB 48, that is in the House currently. And that could provide a solution for those districts that do have the wherewithal to provide that local support. But what I would encourage you to do is to pass HB 105. ... We had a mild winter in the Interior. Our fuel bills went up, I think, about \$75,000 this year. Electricity is going to follow because of oil-generated electricity. Inflation is just eating us up. Our salary schedule is the lowest in the

Interior, including Fairbanks, and actually lower than the Anchorage School District salary schedule. We may have trouble recruiting teachers if we weren't laying off teachers.

Number 1709

REPRESENTATIVE STEVENS stated that Juneau would receive \$790,000 with the proposed CS.

RICHARD KRONBERG, President, National Education Association-Alaska (NEA-Alaska), came forth and stated:

Chairman Bunde made a comment at the beginning that we are dealing with infinite and finite resources. Now, I don't know [that] the needs are infinite, but they are substantial - very substantial. Our expectations for public schools have increased exponentially, and the resources provided to our school districts have clearly not kept pace. An increase in the base student allocation is the best way to meet the needs of all Alaskan districts. Each district has unique needs, ranging from text books to heating fuel. All districts need the ability to attract and keep quality school employees. The best program for kids is a quality teacher in every classroom. The law of supply and demand hasn't been repealed, and our districts are no longer competitive in being able to do that. HB 105 will help in that regard; it does not go far enough. Other states have passed us by and made substantial incentives to attract and keep quality staff, while our districts have not had the resources to do this. NEA-Alaska is fully in support of our districts being provided the resources they need. HB 105 is an overdue, positive step in the right direction. We hope that it is truly a first step in recognizing that investing in our children is the best use of Alaska's resources.

Number 1713

EDDY JEANS, Manager, School Finance and Facilities Section, Education Support Services, Department of Education and Early Development, came forth and stated that all funding should run through the foundation formula. He remarked that the \$20 million increase and the \$6 million in learning opportunity grants that the House has already passed fall short of what the

funding task-force recommended for an increase in fiscal year 2002 by about \$8.4 million.

MR. JEANS [referring to a spreadsheet provided in the committee members' packets] stated that the first column shows the FY (fiscal year) 2000 projected state aid under the current foundation formula. The next three columns show an increase of \$20 million, which would increase the base student allocation by \$101, to a total of \$4,041. The first column, he said, shows the impact of the increase in the foundation program prior to the adjustments for the funding floor. He explained that if the funding floor were suspended, the increased cost for a \$101 increase in the base student allocation would actually be \$21,355,000. With the funding floor active, the actual increase would be approximately \$20.2 million. He stated that if there were a \$25 million increase, the base student allocation would be increased by \$126 or a total of \$4,066. Finally, he said an increase at \$30 million would raise the base student allocation by \$151. He added that it's important that any increased funding for the schools go through the foundation program because that also supports lifting the cap on the local contributions. When the legislature appropriates money such as the learning opportunity grants outside the funding formula, it doesn't help the districts with their local caps.

CHAIR BUNDE asked how much the foundation formula had increased via SB 36.

MR. JEANS responded that the increase under SB 36 was approximately \$21 million in state general funds; however, in the following years there was an increase in required local effort and increased impact aid. Therefore, the general fund commitment to the foundation formula has actually decreased by almost \$21 million.

Number 1967

ROD McCOY, Region VI Director, National Education Association-Alaska, came forth and stated:

I was shocked when I came in here. The first item of the day was to cut \$9 million again out of hopes for children in education. I did not anticipate that, and I was very disappointed to observe that. ... It has been the rule of the day down here ... to look at not [what] education needs, but ... [with] too much of an interest in cutting the budget. One representative

had on his wall a plastic meat axe, when I came down here, as a theme of the day for his agenda here in Juneau. Well, not on his intention, Head Start lobbyists were coming around and putting on all of the doors drawings of children. This had the effect, of course, of having a meat axe held over the heads of the Head Start children. And that's exactly what has been the theme of the day down here for years. That must change.

... If I were to just march in the general theme of the day, in the classroom, if I were to not try new risks, try new practices, invent new efforts to reach children and to bring them onboard in education, I could not be in pursuit of excellence. ... Let's think a little bit about state accountability for education. I don't know if you realize it or not, but you rank at the 2 percent level in the nation for your ability to keep up funding for education. Alaska is dead last in relationship to other states in the nation that are much more ambitious in their hopes for children in their state. I don't think that's a very high accounting for the legislative practices in this state. ... In Anchorage ... we cut 17 elementary positions; in physical education, music, and art we've cut 9 positions; we cut an elementary school counselor; we cut the learning opportunity grants; ... the elementary agenda for interschool academic competition ... has been cut. Textbook adoption - we need to have textbooks that meet standards of this state; we need to train students to not only understand a concept in mathematics, but to be able to take that concept and write out their understanding of that concept. Our textbooks don't do that. ... If we are going to have quality and excellence in education, we have got to have quality and excellence in your pursuits in these [legislative] halls.

Number 2149

CRAIG BAKER, Teacher, Kodiak Island Borough School District, came forth and stated that he wanted to look at this in three ways. First of all, he said, at the statewide level there is difficulty in recruiting and retaining teachers. There has been a one-third-turnover rate of teachers in school districts in the northern part of the state. On the local level, in Kodiak, he stated, in order to minimize the increased class size, there

have been many cuts such as for crossing guards, swim trips, elementary band programs, and sports travel. Finally, he remarked:

On a personal level, I've waited for 16 years for my colleague to retire from the high school so I could move up. I've been stuck in a time warp in seventh-grade science for 16 years. I finally get there and I find that the budget's been cut such that I can't do the sorts of things I want to do in science without spending my own money. I've already put close to 2,000 of my own dollars into my classroom. ... My wife is an elementary school teacher. Every year she puts a couple thousand dollars into her classroom - of our money - because there's not enough budget. ... I'm constantly hearing that it doesn't help to throw money; that's not going to solve the problem. And I'm not arguing with you, but we need to maintain some basic things. And it's getting down to that basic level right now.

Number 2278

KRISTI LOHRENZ, Region IV Director, National Education Association-Alaska, came forward and stated that she represents several large areas [in Bush Alaska]. Her local district, in Lower Yukon, has 11 sites. She remarked that last year there were 52 [staff] openings, and this year there are 60. She explained that much of it has to do with lack of funding for schools - lack of funding because of the living situations and because teachers can't afford to live [in the Bush] and can't put their own money into their education classes. Every year, she said, she puts in \$2,000 to \$5,000 to benefit her students because the schools don't have up-to-date globes, maps, or reading materials. She added that the Bush is a very different situation in a lot of ways because it is totally dependent on state funding.

TAPE 01-28, SIDE B
Number 0026

CARL ROSE, Executive Director, Association of Alaska School Boards, said he would speak about the last 15 years of [Alaska's] educational system. He emphasized the gravity of what has taken place. He illustrated his point by saying that if one boils a pot of water and throws a frog in it, the frog

pops out, but if one slowly boils that pot, the frog doesn't jump out.

MR. ROSE explained that throughout the past 15 years there have been efforts to improve the quality of education, and schools are about "boiled out." As the executive director of the school board association, he said he sits on the other side of the table from teachers; "we" have been paring down and holding the line to such a degree that [Alaska] is no longer competitive. He pleaded with the committee to look at the needs of the educational system and to make the investment.

MR. ROSE pointed out that he served on the A-plus committee and that a report was generated which identified \$34 million [in needs], he commented that it was a modest request. It is a lot of money, but over the past 15 years the system has been depleted. [Schools] have increased the accountability and have benchmark exams and high school qualifying exams, and are being required to do things that have never been required before; the ability to meet that challenge is being hampered, however.

Number 0102

MR. ROSE commented that the SB 36 initiative was to first establish equity, although some of "us" disagree with that equity, and second to address adequacy, which has not been addressed. Basically, it was for distribution and then adequacy, and "we" are still suffering from this today. The 30 percent loss of buying power has affected every portion of operation; in looking at the funding floor, when the bill was put in place, "we" tried to "rat mound" those people who needed protection. Now that the bill has been in place, "we" have accomplished that, and for \$1.4 million one can eliminate that funding floor and treat everyone equitably, so people who get new students don't get discounted by 40 percent. This description gives people an idea of how "we" treat everyone fairly.

MR. ROSE explained that if one is looking at adequacy, dollars into the foundation formula should be distributed equitably. He doesn't believe that the funding floor accomplishes that, and it needs to be looked at.

Number 0260

MR. ROSE remarked that he understands all of the constraints that the committee is under. He added that he is working with

Alaskans United [Against the Cap] to talk to people about the loss of revenue and the increase of essential services in the state so that "we" can cultivate a better understanding of what needs to be done to improve the quality of services and the quality of life. There are two choices: crash headlong into the wall in the next four to five years; or put together some kind of plan that vaults us over that wall and safely into the future. The inability to do that will cause inadequate funding of what needs to be accomplished. Standards have been set, and he would like to help [the committee] reach them. He pointed out that the last 15 years have taken a slow and incremental toll on the educational system that has been devastating.

Number 0323

CHAIR BUNDE commented that there were people getting money previously that couldn't justify it, so when talking about fairness, if the floor is eliminated, then an unfairness is compounded in some people's minds; therefore, don't eliminate it. He said he represents a well-educated district that appreciates education, but the majority of people there still think that the best way out of the state's financial difficulties is by reducing state spending. The largest portion of state spending is for education, so [the committee] is actually going against the advice of many [Alaskan] citizens and attempting to increase state spending in this arena. He said 50 percent of something is better than 100 percent of nothing.

Number 0419

MR. ROSE said he understands what the committee members are up against; he thanked them for looking at the learning-opportunity grants and funneling whatever money possible to the foundation formula. He said it is the mechanism that "we" decided would distribute money equitably.

Number 0458

LUCY HOPE, Teacher, Matanuska-Susitna Borough School District, said she is also a member of the National Education Association-Alaska (NEA-Alaska) Board of Directors. She said she wants to talk about the retention and difficulty of recruiting teachers. In the [Matanuska-Susitna] district, 315 teachers have been hired in the last four years, which represents 33 percent of its teaching force. Forty percent of those people have no teaching experience at all, and "we" are working very hard to support

them at the beginning of their career because we are so desperate to retain them.

MS. HOPE said recruitment has been difficult, and the state's university program graduates only 30 percent of the teachers that [Alaska] needs to hire every fall across the state. That means that if every one of those teachers went into teaching here in Alaska, [Alaska] would still have to go out and recruit 70 percent of the teaching force that is needed every year. It is more important than ever that [Alaska] has a competitive salary and benefit package to offer. She said she has been at recruitment fairs for special education, and it is really discouraging when people walk right by the Alaskan recruiting booths and go talk to recruiters from Los Angeles and New York and so forth.

Number 0570

MS. HOPE commented that she supports the committee's efforts to add more money into the formula, for all of the reasons that were spoken to; she added that it is important to keep in mind that in the case of the Matanuska-Susitna [Borough], there is an interesting situation with the "assessed valuation" increase, which has been phenomenal over the last three years. Because of the formula language - the "deduct" provision - next year the state formula will bring \$72 less per student than this year, so even with the \$101 increase, the Matanuska-Susitna district will only realize a \$29 per-student increase. She urged the committee to look at funding [as recommended in the] A-plus report, and said it was a balanced report and a modest request.

CHAIR BUNDE said he understands the competitive challenge regarding teacher's salaries because when he came to teach in Alaska, he doubled his salary.

MS. HOPE commented that she did, too, and had she stayed in the district that she left, she would now be making \$12,000 more.

Number 0642

REPRESENTATIVE GUESS made a motion to move the CS for HB 105, version 22-LS5056\C, Ford, 4/20/01, out of committee with individual recommendations and the attached fiscal notes.

CHAIR BUNDE stated that he was not going to move the bill [out of committee] today, and that Representative Guess must not have been present when he made the announcement.

REPRESENTATIVE GUESS challenged the decision.

Number 0603

CHAIR BUNDE announced that the House Special Committee on Education meeting was adjourned.

REPRESENTATIVE GUESS objected to the decision to adjourn.

ADJOURNMENT

Number 0663

CHAIR BUNDE announced at 10:10 a.m. that the House Special Committee on Education meeting was recessed to a call of the Chair. [HB 105 was held over.]