

**ALASKA STATE LEGISLATURE
HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES
STANDING COMMITTEE**

March 14, 2002
3:03 p.m.

MEMBERS PRESENT

Representative Fred Dyson, Chair
Representative Peggy Wilson, Vice Chair
Representative John Coghill
Representative Gary Stevens
Representative Vic Kohring
Representative Sharon Cissna
Representative Reggie Joule

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 451

"An Act relating to municipal bond reimbursement for school construction; and providing for an effective date."

- MOVED HB 451 OUT OF COMMITTEE

HOUSE BILL NO. 416

"An Act relating to reemployment of and benefits for retired teachers and principals who participated in retirement incentive programs; and providing for an effective date."

- MOVED CSHB 416(HES) OUT OF COMMITTEE

HOUSE BILL NO. 464

"An Act relating to statewide school district correspondence study programs."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 451

SHORT TITLE:MUNICIPAL BOND REIMBURSEMENT

SPONSOR(S): REPRESENTATIVE(S)JAMES

Jrn-Date	Jrn-Page		Action
02/19/02	2310	(H)	READ THE FIRST TIME - REFERRALS
02/19/02	2310	(H)	HES, FIN
03/06/02	2496	(H)	COSPONSOR(S): STEVENS
03/14/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 416

SHORT TITLE: REEMPLOYMENT OF RETIRED TEACHERS

SPONSOR(S): EDUCATION

Jrn-Date	Jrn-Page		Action
02/13/02	2242	(H)	READ THE FIRST TIME - REFERRALS
02/13/02	2242	(H)	EDU, HES
02/20/02		(H)	EDU AT 8:00 AM CAPITOL 120
02/20/02		(H)	Heard & Held Subcommittee Assigned
02/20/02		(H)	MINUTE(EDU)
02/27/02		(H)	EDU AT 8:00 AM HOUSE FINANCE 519
02/27/02		(H)	Moved CSHB 416(EDU) Out of Committee
02/27/02		(H)	MINUTE(EDU)
03/01/02	2437	(H)	EDU RPT CS(EDU) 4DP
03/01/02	2437	(H)	DP: PORTER, GREEN, STEVENS, BUNDE
03/01/02	2437	(H)	FN1: ZERO(ADM)
03/01/02	2437	(H)	FN2: ZERO(EED)
03/14/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 464

SHORT TITLE: SCHOOL DISTRICT CORRESPONDENCE STUDY

SPONSOR(S): REPRESENTATIVE(S) JAMES

Jrn-Date	Jrn-Page		Action
02/19/02	2313	(H)	READ THE FIRST TIME - REFERRALS
02/19/02	2313	(H)	EDU, HES
02/19/02	2313	(H)	REFERRED TO EDUCATION
02/22/02	2370	(H)	COSPONSOR(S): DYSON
02/27/02	2416	(H)	REFERRALS CHANGED TO HES, EDU
02/27/02	2416	(H)	REFERRED TO HES
03/07/02		(H)	HES AT 3:00 PM CAPITOL 106
03/07/02		(H)	Heard & Held
03/07/02		(H)	MINUTE(HES)
03/13/02	2530	(H)	COSPONSOR(S): COGHILL,

P.O. Box 110203

Juneau, Alaska 99811-0203

POSITION STATEMENT: During hearing on HB 416, answered questions relating to the state's retirement system.

RICHARD SCHMITZ, Staff

to Representative Jeannette James

Alaska State Legislature

Capitol Building, Room 214

Juneau, Alaska 99801

POSITION STATEMENT: During hearing on HB 464, answered questions on behalf of Representative James, sponsor, and explained proposed amendments to Version 0.

ED McLAIN, Ph.D., Deputy Commissioner of Education

Office of the Commissioner

Department of Education and Early Development (EED)

801 West 10th Street, Suite 320

Juneau, Alaska 99801-1894

POSITION STATEMENT: Testified on HB 464; said EED didn't oppose Amendments 1 or 2 to Version 0, but needed time to consider Amendment 3.

SHARYLEE ZACHARY

P.O. Box 1531

Petersburg, Alaska 99833

POSITION STATEMENT: Testified on HB 464.

CAROL SIMPSON

448 Klondike Avenue

Homer, Alaska 99603

POSITION STATEMENT: Testified on HB 464.

TIM SCOTT

3339 Fairbanks Street

Anchorage, Alaska 99503

POSITION STATEMENT: Testified on HB 464; agreed with Amendments 1 and 2 to Version 0, and said he saw no problem with proposed Amendment 3 from his perspective.

RUSS BOWDRE

P.O. Box 1048

Delta Junction, Alaska 99737

POSITION STATEMENT: Testified in support of HB 464.

CHRISTINE AXMAKER

P.O. Box 301

Petersburg, Alaska 99833

POSITION STATEMENT: Testified in favor of HB 464.

JOAN DANGELI

P.O. Box 34711

Juneau, Alaska 99803

POSITION STATEMENT: During hearing on HB 464, offered suggested change to proposed Amendment 3 and asked questions.

ACTION NARRATIVE

TAPE 02-22, SIDE A

Number 0001

CHAIR FRED DYSON called the House Health, Education and Social Services Standing Committee meeting to order at 3:03 p.m. Representatives Dyson, Wilson, Coghill, Stevens, Kohring, and Cissna were present at the call to order. Representative Joule arrived as the meeting was in progress.

CHAIR DYSON announced that after the bill hearings, the committee would discuss a possible committee bill pertaining to putting professional counselors and [marital] and family therapists under one board.

REPRESENTATIVE WILSON asked if the merger would be immediate, or whether the starts would be staggered.

CHAIR DYSON read, "The board [of] professional counselors and the board of marital and family counselors shall by July 1, 2003 become the board of professional counselors and therapists."

REPRESENTATIVE WILSON explained that her reason for asking this is because one group has some outstanding [financial] bills.

HB 451-MUNICIPAL BOND REIMBURSEMENT

Number 0241

CHAIR DYSON announced the first order of business, HOUSE BILL NO. 451, "An Act relating to municipal bond reimbursement for school construction; and providing for an effective date."

Number 0292

HEATH HILYARD, Staff to Representative Jeannette James, Alaska State Legislature, presented HB 451 on behalf of Representative

James, sponsor. He referred to the sponsor statement in the committee packet and offered his understanding that current statute requires for grant proposals for municipal school construction that there be a preventative maintenance plan in place prior to the grant's being funded. The bill would clarify statute under the bond reimbursement for school construction. He said it is simple: all it does is "clean up statutory differences between the two processes."

CHAIR DYSON said this is also his understanding.

Number 0333

EDDY JEANS, Manager, School Finance and Facilities Section, Education Support Services, Department of Education and Early Development (EED), reminded members that about three years ago the legislature passed a requirement that school districts have a five-part preventative maintenance plan in place as an eligibility [requirement] for school construction grants; this is found in [AS] 14.11. Also in this statute is the reimbursement program [for school construction]. The provision [for a preventative maintenance plan] was not attached to the debt-reimbursement program. Therefore, HB 451 places the same requirement on the debt-reimbursement programs that currently exists under the grant program.

Number 0389

REPRESENTATIVE WILSON sought confirmation that in order for schools to be on the capital improvement [project (CIP) list], they must have a preventative maintenance program in place.

MR. JEANS answered in the affirmative.

REPRESENTATIVE WILSON said some schools choose not to be on the [CIP list]. She added, "And I could be wrong in this, so ... I'm going to ask you this: some schools go ahead and bond without being on the list ... and ... take care of it themselves and then ask for reimbursement afterwards. Are those schools required to be on the CIP?"

MR. JEANS replied that the debt-reimbursement process is a separate process that districts have to go through. Currently, there is no additional debt authorization under the debt-reimbursement program; the legislature would have to pass a bill authorizing additional debt for reimbursement from the state. He said this typically is allocated based on community size; it

is up to districts to submit projects to [EED] for eligibility. Right now, the projects under the debt-reimbursement program don't have to have a preventative maintenance program in place. He offered that since the legislation of approximately three years ago, [EED] has been reviewing all districts' preventative maintenance plans, even those under the debt-reimbursement program. He said [EED] has been working with districts to meet those five categories [in the preventative maintenance plan].

Number 0504

REPRESENTATIVE JOULE inquired about feedback from school districts affected by [HB 451] and whether they have plans.

MR. JEANS answered that all districts have a plan of some type. These plans might not conform to the five required parts [in statute], however, and [EED] has been working with all the districts to assist them in conforming to the law. He added, "Under the grant program, this just mirrors that same requirement for the debt-reimbursement program."

Number 0546

REPRESENTATIVE STEVENS offered that this is a reasonable request of districts; it is a lot to do, but any district should be able to have a preventative maintenance plan if it plans on [facility] renewal and replacement. He asked if this preventative maintenance is beyond any district's ability to accomplish.

MR. JEANS replied, "I believe you're correct." He reiterated that [EED] is working with school districts to meet all five requirements. Tools such as a renewal-and-replacement schedule are available on EED's web site to assist districts. He added that this bill was submitted by Representative James at the request of the bond reimbursement [and] grant review committee that oversees all school construction and major maintenance regulations in the state. This committee supports this inclusion of the debt reimbursement under the requirements for the grant program.

Number 0627

CHAIR DYSON referenced page 3, line 11, of the bill and asked if "cardex" is a brand name.

MR. JEANS said he was unable to answer that question.

CHAIR DYSON offered his opinion that it is. He added, "And it's no big deal. I think [it] ... probably communicates what we want; and if it is a brand name, it's probably not smart to put it in state law, but I don't think it's something that ought to hang us up."

Number 0671

REPRESENTATIVE JOULE noted the need for preventative maintenance plans. He recounted comments he has heard from school districts indicating that the many maintenance requirements necessitate hiring personnel to do the paperwork; so much needs to be reported that this takes personnel away from performing the maintenance. He said these [district] budgets are already constrained. He asked about the impact of the extra maintenance personnel costs on the 70/30 ratio and whether districts are granted waivers for this.

MR. JEANS replied that Representative Joule had raised a good question. School districts have raised this issue with [EED]; the additional expense incurred under this provision of law works against districts in meeting the 70 percent requirement for instruction. He said:

My only response to that is: if this is one of the contributing factors, then the department will support a waiver, if that's one of the items that's causing them not to meet the 70 percent on instruction. But ... I would suggest that this isn't the only thing that's going to cause them not to meet the 70 percent instructional requirement.

REPRESENTATIVE JOULE pointed out that if districts are getting close [to the 70 percent requirement], this might cause them to [go below that]. He affirmed that all districts are working hard to [achieve the 70/30 ratio for instruction and administration, respectively].

EDDY JEANS concurred. He reiterated that [EED] will take that into consideration when reviewing a district's waiver request.

Number 0800

CHAIR DYSON said part of the problem is that the 70/30 ratio reflects good intentions but doesn't work really well. He suggested that in smaller schools, particularly those with

unsophisticated physical plants, this may be overkill. He added, "The only thing I would add to the contrary is, as we work more ... on school safety sorts of things - alarm systems and sprinklers ... - [those] have some additional reporting requirements that ... make us need to work [at that]."

Number 0860

REPRESENTATIVE WILSON pointed out that schools need to hire an engineer or some other expert to [put these plans in place]. Large expenses can be incurred by districts in rural areas because of transportation, housing, and other expenses associated with contracting with these experts. If districts are approaching the 70/30 ratio, they could easily go over [the 30 percent administrative-cost allocation].

Number 0904

CHAIR DYSON suggested perhaps the 70/30 [ratio] should be revisited, "and put some school building facility size and remoteness caveats in there or something."

REPRESENTATIVE STEVENS said he has traveled to visit schools in varying states of repair and disrepair. He offered that the reason there is such a problem in some rural schools is due to the lack of renewal-and-replacement schedules. He emphasized the necessity of requiring [preventative maintenance plans].

Number 0958

CHAIR DYSON responded that local people should take on the responsibility to [maintain facilities of their own volition]; it shouldn't require a law. He offered his experience regarding facility-and-machinery preventative maintenance, that when money gets tight, "guess what gets cut?"

REPRESENTATIVE WILSON agreed that this maintenance must be done, noting that the state has over a billion dollars of deferred maintenance currently. She said [the legislature] expects the school districts that are short of funds to [properly maintain facilities], although legislators have not [provided funding] for the state's deferred maintenance.

Number 1015

CHAIR DYSON said, "Or at least document that they have a plan to take care of it when they go for bonds or bond reimbursement, which is the subject we have at hand."

Number 1033

DEE HUBBARD, Member, Bond Reimbursement and Grant Review Committee, testified via teleconference, noting that she has been a member of that committee since its establishment in 1993. She said in 1993 the legislature decided to establish a committee to take all the school construction issues together, to create a fair statewide system. She noted that this is just what the committee has done, and it has a good record, according to school districts. Upon review of regulations, the committee discovered that the preventative maintenance required by law did not affect the projects being considered for bond reimbursement; this is the justification for proposing the bill, she said.

MS. HUBBARD told members she is glad the [House Health, Education and Social Services Standing Committee] understands the problems encountered when meeting any maintenance requirement. "It is the thing that gets cut first," she said. Anyone who has lived in Anchorage has witnessed this, she offered. [The legislature] has determined that districts must create a maintenance program to save money in [new] construction costs by allowing districts to spend money to maintain schools, she pointed out. The review committee recommended the program to the [State Board of Education and Early Development] and the commissioner, and it realized that additional costs would be incurred with this program by putting it into law.

MS. HUBBARD agreed with Mr. Jeans' comments that [EED] similarly recognizes this problem and is willing to work with school districts. She reported that a person has been traveling through the state to work with [district] maintenance personnel; this has helped districts find simpler solutions [to maintenance problems] so that districts can qualify under the program. She expressed appreciation for this committee's hearing the issue and acknowledging the problems that the 70/30 [funding ratio] is causing.

Number 1218

CHAIR DYSON stated to Representative Joule that he would entertain, pending committee approval, some meaningful adjustments to the 70/30 ratio, as a committee bill. He characterized this as a heavy-handed action that legislators

tend to do in attempts to "get everybody to shape up and do the right thing, and it often is counterproductive." He conveyed his preference for a better law that neither forces [EED] into the position of entertaining waivers nor causes well-meaning people and organizations to continue to try to "cook the books ... in the most favorable sort of way - not to do something bad, but to meet an arbitrary and capricious guideline that was somewhat thoughtlessly put in place."

REPRESENTATIVE WILSON moved to report HB 451 out of committee with individual recommendations and the accompanying zero fiscal note.

REPRESENTATIVE JOULE observed that some of the best maintenance plans he has seen have been from some of the smaller districts. He noted that this is a concern for the smaller districts because they are trying to meet the [70/30 ratio requirement].

CHAIR DYSON related his impression that [maintenance plans] are almost entirely dependent on whether the local people who are involved really care, not on whether a state law mandates them.

Number 1327

CHAIR DYSON announced that there being no objection, HB 451 was moved out of the House Health, Education and Social Services Standing Committee.

HB 416-REEMPLOYMENT OF RETIRED TEACHERS

CHAIR DYSON announced that the next order of business would be HOUSE BILL NO. 416, "An Act relating to reemployment of and benefits for retired teachers and principals who participated in retirement incentive programs; and providing for an effective date." [Before the committee was CSHB 416(EDU).]

Number 1369

REPRESENTATIVE CON BUNDE, Alaska State Legislature, speaking as the chair of the House Special Committee on Education, sponsor of the bill, characterized CSHB 416(EDU) as another tool in the toolbox that addresses teacher retention and recruitment; it would be available if school districts chose to use it. Referring to previous discussion of teacher shortage issues, he said this bill provides [districts] an opportunity to rehire teachers who have retired under a [Retirement Incentive Program (RIP)].

REPRESENTATIVE BUNDE explained that current law dictates that these [retired] teachers who decide to return to teaching repay a substantial bonus [to be eligible for rehire]; CSHB 416(EDU) allows teachers and principals to be rehired without that penalty, but the rehiring is at an entry-level step. This was included to give districts as much flexibility as possible while preventing possible abuses.

REPRESENTATIVE BUNDE reported that this bill has been endorsed by the [Matanuska-Susitna] and Anchorage School Districts, the [Association of Alaska School Boards], and the [Alaska] Association of Secondary School Principals. He suggested it might be useful to look at the effects in different districts if [CSHB 416(EDU) becomes law]. There are 457 teachers who have applied for a retired teacher's teaching certificate, he noted. Referring to a document titled "Comparison: Average Salary at Retirement vs. Retirement Benefit + Returning Salary Under CSHB 416(EDU)," he pointed out that in most cases, retired teachers would earn more at a beginning teacher's salary with retirement benefits than if they had continued teaching [without retiring].

REPRESENTATIVE BUNDE brought attention to [Amendment 1], 22-LS1472\F.3, Craver, 3/13/02, which read:

Page 1, line 2, following "**programs**":

Insert "**and to the employment as teachers of members of the public employees' retirement system who participated in a retirement incentive program**"

Page 2, line 17:

Delete "a new subsection"

Insert "new subsections"

Page 2, following line 22:

Insert a new subsection to read:

"(e) A member of the public employees' retirement system who participated in a retirement incentive program under ch. 26, SLA 1986; ch. 89, SLA 1989; ch. 65, SLA 1996; ch. 4, FSSLA 1996; or ch. 92, SLA 1997, who subsequently becomes a qualified teacher, may become an active member under AS 14.25.040 without losing the incentive credit provided under the applicable retirement incentive plan and is not subject to any related reemployment indebtedness."

Page 2, line 26, following "Act":

Insert "; AS 14.25.043(e), added by sec. 3 of this 2002 Act"

REPRESENTATIVE BUNDE noted that Amendment 1 addresses Public Employees' [Retirement System (PERS)] retirees who apply [to be rehired as teachers].

Number 1623

REPRESENTATIVE BUNDE informed members that he'd neglected to say CSHB 416(EDU) has no negative actuarial impact. He said he would refer questions about the retirement system to Guy Bell, Director, Division of Retirement & Benefits, Department of Administration.

CHAIR DYSON offered his understanding that Representative Bunde had said these people don't have to pay back the severance bonus. He asked where that is in the bill.

REPRESENTATIVE BUNDE said that was the intent in drafting [CSHB 416(EDU)].

Number 1680

KAREN McCARTHY, Staff to Representative Con Bunde, Alaska State Legislature, speaking as the committee aide for the House Special Committee on Education, offered her understanding from Mr. Bell that the answer to Chair Dyson's question is found on page 2, lines 13-16; the [exemption] is implied by the information contained therein. She offered that Mr. Bell could explain how it works.

REPRESENTATIVE WILSON said that section looks as though it is being removed.

REPRESENTATIVE BUNDE answered that by dropping that language, the payback provision [is omitted]. He added that the amendment was suggested by Mr. Bell.

Number 1750

GUY BELL, Director, Division of Retirement & Benefits, Department of Administration, explained that the language in the bill that is being removed [originated in] HB 242, passed last year [to allow] Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) [non-RIP] retirees to return

to public employment, through filing a waiver, while continuing to receive a retirement benefit. He said this was viewed as an incentive to bring retirees back into the workforce. Several things were omitted in [HB 242]. Therefore, [CSHB 416(EDU)] seeks to make one correction and one adjustment. The correction is in Section [1], where line 5 adds the Department of Education and Early Development (EED); this allows EED to rehire retired teachers. This was an inadvertent omission in HB 242.

CHAIR DYSON asked if these people were professional staff or worked for Alyeska [Central School].

MR. BELL offered his belief that these are employees in the correspondence school, the [Alaska Vocational Technical Center], and Mount Edgecumbe High School - any job that requires a teaching certificate within EED. This allows any of these employers to declare a teacher shortage. Then the provisions of the rehired-retiree plan come into effect in Section 2, which allows organizations declaring a shortage to rehire retirees; these retirees are allowed to file a waiver that waives additional coverage in the [retirement] system. In return, these retirees can keep their retirement benefits, but don't accrue another retirement benefit during their period of reemployment. Mr. Bell noted that lines 13-16, page 2 of CSHB 416(EDU), delete language contained in HB 242. This language prohibited retirees who retired under the TRS-sponsored RIP from participating in the return provision. Deleting this language allows people, through a waiver, to return to teaching without having to pay a penalty.

Number 1900

CHAIR DYSON inquired what "pay a penalty" means.

MR. BELL replied that under the provisions of the RIPs over the years, there were penalty provisions: a "RIP retiree" returning to teaching would have to repay 110 percent of the benefit received. In addition, the retiree would forego any additional credit received as a result of the RIP. If the retiree received health benefits that person wouldn't have received otherwise, a repayment would be required. There is a significant penalty to a RIP-retiree returning to employment, he said; this law has not changed. By allowing a person to file a waiver, this waives his/her coverage so that the penalty provision does not apply. He continued:

So by deleting ... on page 2, lines 13 to 16, a RIP person is allowed to come back. If the RIP person does come back and files a waiver, they are not in TRS-covered employment, and therefore penalty ... provisions wouldn't apply. So a RIP person could return to teaching and not pay the penalty; at the same time, though, that person would not accrue additional retirement credit, but they would continue to receive their retirement benefit.

MR. BELL drew attention to Section 3 and explained that this provides for the retiree to be rehired at the entry level of the negotiated salary schedule.

CHAIR DYSON sought further clarification on Section 2. He asked whether some of the incentives for early retirement were cash benefits.

MR. BELL replied that some school districts offered cash incentives, but those aren't referred to in [CSHB 416(EDU)]. Referred to in the bill are the TRS-sponsored retirement incentive programs. Those basically gave a person up to three years of service credit if the employee and the employer paid the actuarial cost.

CHAIR DYSON offered his understanding that one retirement incentive was the additional [years of service] granted to retirees in the form of [up to] a three-year "bonus" for someone who had worked 17 years, for example; the teacher had to make up the [difference] in the payments.

MR. BELL concurred.

Number 2007

CHAIR DYSON asked if enhanced health insurance was an incentive offered to retirees.

MR. BELL replied that it was not enhanced health insurance. A retiree, by buying the three years, received health insurance through the retiree health plan at the point of retirement. A teacher who quit [after 17 years] would be ineligible for this health insurance [otherwise].

Number 2024

CHAIR DYSON offered his understanding that the intention of [the Division of Retirement & Benefits] was to guard against giving an incentive for people to "pull the pin" and retire, and then be rehired somewhere and be "double-dipping"; therefore, penalties were built in.

MR. BELL said he wasn't present [during the RIP]; he surmised that there were public policy reasons at that time. One argument is that times have changed: now there is a shortage of teachers. With qualified people available who might wish to return to teaching, there is no actuarial cost to the retirement system; there may, in fact, be a savings to employers because they are not paying TRS contributions.

Number 2065

REPRESENTATIVE BUNDE offered that there was some concern about double dipping. However, anyone who took the retirement and went to Oregon to teach could receive a full salary as well as Alaska's retirement. He indicated that Alaska's not allowing this to happen might be shortsighted. He pointed out that there is a sunset provision in the bill to allow for unforeseen [circumstances]. It will sunset in 2005. This will give the legislature an opportunity for redress.

Number 2122

REPRESENTATIVE STEVENS pointed out that he was a school board member when the RIP was offered; substantial savings were realized by school districts when these teachers retired early, which was important at the time. However, teachers are no longer readily available. He concurred with Representative Bunde's point about districts in Oregon that don't care how much a teacher is receiving in retirement.

Number 2175

CAROL KANE, Executive Director, Alaska Association of Secondary School Principals (AASSP), testified via teleconference, noting that AASSP represents K-12 administrators and has approximately 255 members in addition to 25 retired administrators. She said AASSP fully supports this legislation. She'd just returned from the national principal associations conference, where she observed that benefits offered to teachers and administrators include housing bonuses, signing bonuses, professional-growth incentives, and early contracts. She conveyed her concern that

Alaska's salaries are in the bottom quartile when compared to the Lower 48.

MS. KANE asked whether the language [in the title, page 1] on line 1 - "An Act relating to reemployment of [and] benefits for retired teachers and principals" - transfers throughout the bill, or whether the intention is to change that. She offered her association's support for the bill and the amendments as presented today.

REPRESENTATIVE BUNDE clarified the intent that the legislation will apply to both teachers and principals throughout.

Number 2263

MS. McCARTHY noted that Mr. Bell had provided her a copy of the statutes wherein the definition of "teacher" under the TRS section means a person eligible to participate in the system, a certificated full- or part-time elementary or secondary teacher, a school nurse, [or] someone at the University of Alaska. She sought further clarification from Mr. Bell.

MR. BELL said, "A certificated person in a position requiring a teaching certificate as a condition of employment."

REPRESENTATIVE BUNDE noted that all principals require [a certificate].

Number 2293

CHAIR DYSON offered, "The representation is that anyone that ... is a certificated teacher would qualify regardless [of] whether they're in the classroom in an administrative role as principal."

MS. KANE explained that there are the following certificates: Type A for teachers, and Type B for administrators. Unless a person holds both certificates, she said, she doesn't believe that person would meet the criteria described in the [definition] of teacher. She asked for clarification on this. Some principals may not maintain a current teaching certificate, she added.

Number 2331

MR. BELL answered that the Division of Retirement & Benefits does not differentiate between a [Type] A and B certificate; it

only looks at certification. The law indicates it is a position requiring certification. He said, "From our perspective, we would just put on the record ... A or B; we would look at that as certification. And ... the language as written covers that."

Number 2350

REPRESENTATIVE BUNDE made a distinction between being employed and qualifying for retirement. He said TRS covers anyone who is certified. He then returned attention to Amendment 1.

TAPE 02-22, SIDE B

Number 2400

CHAIR DYSON expressed his understanding that Amendment 1 allows a PERS [retiree] - who has subsequently become a [certified] teacher and wants to be employed - to not lose benefits.

Number 2350

REPRESENTATIVE BUNDE acknowledged that this person might have been an uncertificated teacher aide and therefore not in TRS; this person would have been in PERS. The PERS retirement of a person who has since obtained a teaching certificate would not be forfeited.

Number 2336

REPRESENTATIVE JOULE asked: If a PERS-eligible employee retired and then wanted to enter the teaching system, would this person accrue retirement benefits under TRS?

MR. BELL answered that a PERS retiree who was hired by a school district as a certificated employee would continue to receive the PERS retirement. That person would be allowed to accrue a TRS benefit while employed as a teacher. They are two different systems.

Number 2290

REPRESENTATIVE STEVENS moved to adopt Amendment 1 [text provided previously]. There being no objection, Amendment 1 was adopted.

REPRESENTATIVE STEVENS moved to adopt Amendment 2, 22-LS1472\F.2, Craver, 3/13/02, which read:

Page 2, lines 17 - 22:

Delete all material.

Renumber the following bill sections accordingly.

Page 2, lines 25 - 26:

Delete "; AS 14.25.043(d), added by sec. 3 of this 2002 Act"

REPRESENTATIVE STEVENS remarked that this discussion of RIP-retired teachers was a learning process; it might not result in a great number of teachers being rehired, but could be important. He added that after the bill left the House Special Committee on Education, upon further reflection, he'd thought [CSHB 416(EDU)] might be a bit punitive by requiring a teacher to return at the lowest [salary] level possible. He reiterated that other states are not concerned about the benefits a prospective teacher may already be earning from retirement benefits. [Alaska] might be only harming itself by saying that people must return at no more than what they were earning when they left," he suggested.

REPRESENTATIVE STEVENS brought attention to the comparison chart showing average salaries at retirement and retired teachers' salaries including TRS benefits. He suggested [the small jump in salary] was hardly worth going through the retirement process. He pointed out the need to look at teachers who have retired from Alaska and are then "snapped up" by districts in other states. He offered an example of someone he knows.

REPRESENTATIVE STEVENS pointed out that Amendment 2 deletes Section 3, which provides for a teacher's being rehired at only the rate of a new teacher. Amendment 2 leaves that [salary] decision up to the school district; the school district will be paying this teacher and must determine how badly it needs this teacher. It will add flexibility, and there is no actuarial impact, as Mr. Bell has indicated.

REPRESENTATIVE STEVENS offered his concern that members learn from [EED] the number of teachers rehired under the bill after its implementation; EED does have a report that will convey that information. He noted that when this reaches the 2005 sunset date, the legislature will know how many teachers actually have been affected by this. He concluded that the main purpose of Amendment [2] is to allow districts the flexibility to decide at what level they want to rehire RIP teachers.

Number 2106

REPRESENTATIVE BUNDE offered that this is an issue upon which reasonable people disagree in part. He agreed that [the legislature] should provide as much local flexibility as possible. He said:

I could see a possibility of someone retiring at 60-plus, or ... getting their retirement and going back the next day at their former salary of 60-plus thousand ... if there was some good-ole-boy network ... in place. Now, I don't expect that this would happen, ... but we have seen some malfeasance in school administrators in the not-too-distant past, and ... I would suggest that it's wise to not encourage human weakness.

REPRESENTATIVE BUNDE added that some people might be concerned about allowing people who, by good fortune, had retired with a substantial early-retirement bonus to return to teach and retain their retirement. He said, "Don't lose the good in search of the perfect. I would be concerned that there might be those who would be disinclined to support the bill if there was any possibility - no matter how remote - that it could be abused by a school district somewhere in Alaska."

Number 2037

REPRESENTATIVE WILSON explained why she didn't support [Amendment 2]. As written, the bill provides leeway at the local level. Districts are not required to rehire a candidate at a [the lowest salary on the salary schedule]. Rather, the bill allows latitude in placement on the salary schedule through the negotiated agreement in each district. In some areas, districts can give credit [for education and experience]. Furthermore, the present language addresses the problem of morale [if a retired teacher could return at the same salary as for existing teachers]. Therefore, she would leave the bill as it is.

Number 1980

REPRESENTATIVE BUNDE, in response to Chair Dyson, said he'd prefer that [Amendment 2] wasn't adopted.

Number 1962

CHAIR DYSON asked about the impact of [line 7 of Amendment 2], which read:

Delete "**;AS 14.25.043(d), added by sec. 3 of this 2002 Act**"

REPRESENTATIVE BUNDE expressed his understanding that this is the language that requires districts to rehire [RIP-retired teachers] at the beginning salary. He mentioned that beginning salaries vary from district to district; for example, he thinks Kotzebue allows people to bring in six years [of teaching experience].

CHAIR DYSON pointed out that [the deletion of] lines 17 - 22 [on page 2] in Amendment 2 [removes the requirement for districts to rehire RIP-retired teachers according to the negotiated agreement]. He asked Representative Stevens about the impact of [the deletion of] lines 25 -26 [on page 2].

REPRESENTATIVE BUNDE replied, "It puts it in the uncodified section because it's going to sunset in 2005."

Number 1925

MS. MCCARTHY added that Amendment 2, lines 6-7, takes out the reference of Section 3 from the uncodified section of statute, where temporary [laws] are placed.

Number 1907

REPRESENTATIVE STEVENS thanked Ms. McCarthy for her explanation. He explained that Amendment 2 removes Section 3 from the bill; line 7 of [Amendment 2] removes the reference to Section 3. He returned to [the potential for] malfeasance and pointed out that many teachers might be going to districts [other than the ones in which they had taught].

REPRESENTATIVE STEVENS, referring to Representative Wilson's comments, highlighted line 21 [page 2 of CSHB 416(EDU)], which addresses the rate of pay for new teachers. If this language is left in, he said, a returning RIP teacher would be paid the rate for new teachers on the salary schedule. He expressed concern that without [Amendment 2], there might not be any RIP teachers returning. Drawing attention to Anchorage's salaries on the comparison chart, he said, "Would they really want to come back for a thousand dollars more? I don't know." He requested confirmation of his understanding that substantial savings will

be realized by districts regardless of salary placement, because districts will not be paying for health insurance or retirement. These costs are covered by the retirement [system]. He asked Mr. Bell to clarify for members any additional savings to districts.

Number 1807

MR. BELL offered the division's interpretation that the retiree medical plan is such that if a person becomes an active employee, the active-employee health insurance becomes a person's primary insurance. He said the Division of Retirement & Benefits anticipates that districts will still be required to pay for health insurance. He added that the major savings to the school district would be the employer contributions to the retirement system - 11 percent of salary.

REPRESENTATIVE STEVENS indicated he thinks most members believe the local level is where education decisions should be made. He said:

The goal here is not to give a loophole for someone to come back and rip the system off. ... If we leave it as it is, I'm afraid there will not be much of an impact; there will be very few ... RIP teachers coming back to Alaska. If we change it, it allows local option - it allows the district to decide ... how much ... to pay this person. So it does put more option at the local level.

Number 1748

REPRESENTATIVE JOULE added that teacher shortages exist in rural and urban areas across the country. He offered that drawing teachers to rural Alaska might be even more difficult; [Amendment 2] allows school districts more latitude to attract teachers to rural districts. He observed that some, though not many, teachers live in the community and become "part of the family." He expressed hope that some of these teachers would [be rehired under this legislation]. He concluded that rural areas need to have this tool to attract teachers.

Number 1708

REPRESENTATIVE COGHILL said, "I would tend to agree with Representative Bunde." Teachers will receive the retirement base; in addition to this is the healthcare benefit and the

salary [upon rehire]. He offered his opinion that this is enough incentive, and said the benefits under early retirement were significant and a "real benefit to those who took it." He stated that there is still a benefit for teachers to return even without Amendment 2. He turned attention to the wisdom of 20-year retirements. He said, "At this point, I think that I would rather just ... stay with the way the bill is written."

Number 1662

REPRESENTATIVE WILSON asked Ms. McCarthy if the bill's current language provides that a returning teacher would be rehired at the rate of a new teacher who had no experience, or if it allows latitude for the local district to negotiate.

MS. McCARTHY replied that the bill's current language refers to the negotiated salary schedule that gives credit for experience and education beyond a bachelor's [degree]. She referred to a chart in the committee packet titled "Examples of Possible Salaries for Reemployed Teachers Who Participated in a Retirement Incentive Program." She said the last column shows the number of years of experience each listed district will allow a teacher to bring in. She noted that a teacher with 20 years' experience being rehired in Kotzebue would receive 6 years of credit with a bachelor's [degree] and 8 years with a master's [degree]. Galena allows for 5 years to be brought in, or 6 years if a shortage exists in a specific teaching area.

Number 1583

REPRESENTATIVE WILSON said that gives "pretty good latitude" to the local areas, the way the bill is written.

MS. McCARTHY agreed.

Number 1570

REPRESENTATIVE STEVENS pointed out that a teacher moving to Anchorage would receive no years of experience credit. He said, "It is up to the individual districts ... what their salary schedules are like."

MS. McCARTHY agreed, adding that it would be the responsibility of the individual to decide whether it would be an advantageous move.

Number 1532

CHAIR DYSON noted his agreement with Representative Coghill, saying, "We see lots of unintended consequences of the 20-year retirement system ... across a lot of different areas. And we do them all with good intentions, and they end up presenting real problems for us downstream." He continued:

Personally, somebody that will move to Oregon for \$30,000, I say good riddance. ... What I want to represent ... is the people that are committed to living in Alaska whatever it costs, and money isn't the issue. They love this country and its people, and they're here forever. But I realize everybody ... [doesn't] march to the same drummer as I do, and money is an issue. And I can't imagine how much money it would take to get me to live somewhere else.

CHAIR DYSON also noted his agreement with Representative Stevens that flexibility needs to be given to local people. "Yes, they'll misuse it, and yes, I want to trust them and give them that flexibility," he said. "My own vote will be to accept the amendment."

A roll call vote was taken. Representatives Dyson, Cissna, Joule, and Stevens voted for Amendment 2. Representatives Kohring, Wilson, and Coghill voted against it. Therefore, Amendment 2 was adopted by a vote of 4-3.

REPRESENTATIVE WILSON remarked that if the bill had been left the way it was, schools that are able to recruit teachers more easily wouldn't have had to raise [salaries] as much; this would have enabled more teachers to be hired in areas that have more difficulty in recruiting teachers.

Number 1436

REPRESENTATIVE KOHRING commented that he was troubled that the legislature initially passed the RIP provision and created a situation that necessitated this legislation. He said, "I'm just troubled that we're continuing to provide more and more benefits for a profession ... that you just don't see in other professions. I recognize the intent of the sponsor, ... that he's trying to get the good, qualified teachers back in the system [and that] there's a shortage." He relayed his belief that over the years the legislature has been extremely generous to the teaching profession with tenure, retirement packages, and salaries.

REPRESENTATIVE KOHRING returned attention to the salary chart. He said the Anchorage salary of [\$62,889] divided by nine months is nearly \$7,000 a month; there are three months off during the year as well. He said, "I'm not putting teachers down; I'm just saying that they've been rewarded very, very handsomely over the years. And I'm just troubled with the fact that we continue to advance legislation that ... provides them more and more benefit and more gain." He noted that he would not object to moving the bill out of committee, however.

Number 1343

REPRESENTATIVE STEVENS pointed out that the bill as amended forces no district to hire anybody. He offered his opinion that teachers who were poor teachers would never be rehired. This is a tool that allows a district to decide at the local level how badly it needs a teacher in a time of shortage. He offered his belief that the shortage will worsen over time, and that Alaska is in a less competitive situation and will find it even more difficult to [hire] the necessary teachers.

Number 1295

REPRESENTATIVE WILSON reiterated, "What we did with that amendment ... is that we've just given the school districts that can afford to pay a real good salary a little bit of an advantage over the ones that can't." She offered that the starting salary in [Wrangell] is only \$27,000 because the district doesn't have enough money to pay teachers more. "We have a hard time getting people to come to our area now," she said. "And that ... would've helped just a little, because it would've kept Anchorage at not giving them those extra years, and it would've maybe made people look at ... another area."

Number 1250

REPRESENTATIVE STEVENS responded that Anchorage is not the villain, that the entire country is facing a shortage, and that Anchorage needs teachers as badly as Wrangell or Kodiak.

REPRESENTATIVE COGHILL said he couldn't support the bill, since the scope had been narrowed.

Number 1209

REPRESENTATIVE CISSNA moved to report CSHB 416(EDU), as amended, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE COGHILL objected.

A roll call vote was taken. Representatives Dyson, Cissna, Joule, Wilson, Stevens, and Kohring voted to move CSHB 416(EDU), as amended, out of committee. Representative Coghill voted against it. Therefore, CSHB 416(HES) was moved out of the House Health, Education and Social Services Standing Committee by a vote of 6-1.

HB 464-SCHOOL DISTRICT CORRESPONDENCE STUDY

CHAIR DYSON announced that the committee would consider HOUSE BILL NO. 464, "An Act relating to statewide school district correspondence study programs." [Before the committee, adopted as a work draft on 3/7/02, was Version O, 22-LS1494\O, Ford, 3/4/02.]

TAPE 02-23, SIDE A
Number 0001

RICHARD SCHMITZ, Staff to Representative Jeannette James, Alaska State Legislature, on behalf of Representative James, prime sponsor of HB 464, noted that he had three amendments for consideration that had been drafted in response to some issues people with the bill. He explained that Representative James was comfortable with all three amendments, which work in concert.

MR. SCHMITZ informed members that Amendment 1 would change the title [which for Version O read, "An Act relating to statewide school district correspondence study and state supported home schooling programs."] Amendment 1, which would delete "and state supported home schooling programs", read:

Title change to:

"An act relating to statewide school district correspondence study programs."

MR. SCHMITZ explained that it ties in with Amendment 2, which read:

Delete (b)

Add:

(b) In this section, "statewide school district correspondence study programs" do not apply to charter schools, Alyeska Central School, or to school district correspondence study programs that enroll only students within its district of residence.

Number 0338

MR. SCHMITZ expressed his understanding, based on a conversation with Department of Education and Early Development (EED) personnel, that four types of public schools are considered correspondence schools. One is Alyeska Central School, a state-operated school that distributes curriculum for home schoolers; the program offers few curricular options. The second type includes charter schools that offer correspondence; one in Anchorage provides some correspondence. He remarked, "Charter schools are their own animal." He offered that these schools have worked on regulations for a number of years to fine-tune [the programs]. In conversations with people involved with charter schools, Mr. Schmitz said he was made aware of concerns about unintended consequences for charter schools that would occur as a result of HB 464. He indicated that charter schools would be excluded [from HB 464 by adoption of Amendment 2].

MR. SCHMITZ explained that correspondence programs exist within a district; these programs serve only students within district boundaries. The remaining type of home school program is statewide correspondence programs, the subject of HB 464. CyberLynx, Interior Distance Education of Alaska (IDEA), and others are among the approximately ten statewide correspondence programs. These are, by statute, correspondence-study programs that are open to students anywhere in the state, offered by a school district. He added that certain rules apply to how these programs enroll students. In order to clarify HB 464, this language was developed by a "sort of committee" to ensure that the language applies only to [these statewide correspondence schools] and to allow other programs to operate without undue controls. He said the title change also goes along with this premise.

MR. SCHMITZ turned attention to Amendment 3, which read [original punctuation provided]:

Delete: (3)

Add: (3) must provide that the school district conducting the correspondence program has the duty and authority to establish procedures for the purchase of correspondence curriculum materials, and to establish procedures for approving or disapproving individual education plans and home designed courses.

MR. SCHMITZ indicated this pertains to paragraph (3), page 2, lines 2-4, and refers to the purchase of correspondence curriculum materials. The schools in question do not want the approval or disapproval of these materials within their purview; this is the job of the parents, he stated. However, districts do want control over the purchase of materials to ensure that state law is followed. Amendment 3 also establishes procedures for approving or disapproving individual education plans.

MR. SCHMITZ indicated these plans are established by parents and district personnel in concert. He noted that the inclusion of home-designed courses had been added at the suggestion of Joan Dangeli. A home-designed course might be a physical education course that includes hiking, for example; if the district approves it, then it is allowable. This might also apply to music lessons. The purpose is to give these schools and parents who teach their children at home the greatest possible freedom to continue the success achieved up until now, he concluded.

ED McLAIN, Ph.D., Deputy Commissioner of Education, Office of the Commissioner, Department of Education and Early Development, in response to Chair Dyson, said Amendment 1 wasn't a problem for EED.

CHAIR DYSON moved to adopt Amendment 1 [text provided previously] and asked whether there was any objection. There being no objection, Amendment 1 was adopted.

DR. McLAIN, in response to Chair Dyson, said he would have suggested language similar to Amendment 2, and that the department had no objection to Amendment 2.

CHAIR DYSON moved to adopt Amendment 2 [text provided previously] and asked if there was any objection. There being no objection, Amendment 2 was adopted.

Number 0680

DR. McLAIN, in response to Chair Dyson, said he wanted time to review [Amendment 3]. However, he conveyed his initial reaction that it may cause problems, may conflict with a statute that addresses the responsibility of school boards in general, may cause problems with accreditation efforts of the programs in question, and may have implications for acceptance of transcripts from those courses.

CHAIR DYSON asked that these amendments be distributed to the Legislative Information Offices (LIOs) as quickly as possible. He announced that the committee would not adopt Amendment 3 [at this time] and would take public testimony.

Number 0774

MR. SCHMITZ, in response to Representative Wilson, explained that HB 464 originated because of concern about proposed regulations for statewide correspondence study programs. The regulations were reviewed and conversations were held with concerned parties; a bill was drafted to address these concerns while protecting the state's interests and allowing for things to run smoothly. He said [statewide correspondence programs] are government programs that are popular with the people who use them; these programs seem to work and have a good reputation. Parents who educate their children at home are happy with these programs and fear that [proposed] regulatory changes will limit the programs' ability to work effectively. He noted that Section 1, [paragraph] (1), calls for these programs to be approved every ten years. The [proposed] regulations called for this approval every year, which creates, from the programs' perspective, a paperwork burden.

Number 0856

REPRESENTATIVE WILSON inquired, "So if they change things, it might be nine more years before somebody's going to check on it?"

MR. SCHMITZ replied that the ten-year review is based on charter school requirements for approval. He pointed to the second provision in Section 1, [paragraph] (1), which requires a program deemed "deficient" or "in crisis" under statute to be [reviewed more frequently than every ten years].

Number 0900

CHAIR DYSON offered that part of the genesis of the bill was a reaction to concerns about [proposed] regulations. The approval is every ten years, but HB 464 makes the monitoring and oversight a district responsibility as opposed to a department responsibility. This responsibility is a major issue that the bill addresses.

MR. SCHMITZ added that the bill gives the district the responsibility to monitor students as the district deems appropriate; this issue was raised by many parents. A student enrolled in the program might be the child of a new home school parent who might require more frequent contact with a district teacher than is required by a more veteran home school parent. The bill allows the district to determine [the appropriate amount of contact] and to establish procedures to do so. It allows the greatest amount of freedom while still having the accountability of passing statewide exams, he said. The proposed regulations would have been much more rigid.

Number 0988

REPRESENTATIVE WILSON noted that some concern has existed about the number of [correspondence school] students taking the Benchmark and [High School Graduation Qualifying Exam (HSGQE)] tests. Some districts had many students who were not participating in these tests, she pointed out.

MR. SCHMITZ replied that this bill does not address that concern, but does hold the schools up to a standard of passage. It would be in the programs' best interest to have as many of their students as possible take the exams. In addition, students cannot graduate without passing the [HSGQE].

Number 1109

SHARYLEE ZACHARY testified via teleconference. She referenced written testimony from her husband, noting that both his and her testimony had been faxed. She told members:

The building-based schools have been set up to accommodate a large number of children with teachers, supplies, programs, et cetera, to reach the goal of education. Certain procedures and rules do need to be applied in order to work with so many children in a controlled and effective way. But this is only one method of schooling that can be used to reach the goal of education.

Home schooling is an entirely different, yet just as effective, way of educating our children. It looks, feels, and functions differently because it can be designed according to the child and the family. During the schooling years, children will be at different levels in different areas. Yet when they graduate, the same goal is met as in the public school.

Because of IDEA, our family has been able to educate our children with resources that we never had available to us before. And you might ask, "Why did you not put your children in the public school system?" While we do agree with a lot of things being taught in the school system, we see areas that are being taught that we feel are very dangerous for our children to be exposed to. I ... won't go into them, but those areas tear down the character building that we are trying to do in our children.

If we send our children into the public school system, we are sending them into an area that will lead them to make extremely unwise choices in their lives. We teach our children to treat all people with respect and kindness, and they do. But that does not mean that they need to believe that what certain people are doing at certain times is okay.

MS. ZACHARY, in response to Chair Dyson, offered her belief that the bill says because she wants to teach certain principles to her children at home through a Christian curriculum, her family cannot receive funds from the state. She added that if her family's children are enrolled in the [regular] school system, they can be educated in areas her family finds dangerous. Her family is penalized when trying to home school with curriculum that will only build the children's character, she suggested.

Number 1276

CHAIR DYSON offered his impression that Ms. Zachary misunderstood the intent of the bill, which limits the department's regulations that could have included some censoring of materials. It also puts oversight of the program into the purview of the [administering] district. He indicated that Ms. Zachary ought to have more influence over the district [than the department], and that the district would be more responsive to

her needs. He offered his understanding that according to [EED], any program receiving [state] money is not precluded from purchasing materials from any publisher; the only restriction is that state law prohibits the use of state money for promulgating or advocating a particular religious perspective. He stated that she is free to purchase materials in addition to state-funded materials.

MS. ZACHARY thanked Chair Dyson for this clarification. She said she and others have been very concerned about that.

Number 1363

CAROL SIMPSON testified via teleconference. She said she works for the IDEA program, and she is also a longtime home school parent. She told members [IDEA] is in favor of this bill and appreciates that it eliminates the cumbersome yearly applications. She offered that these applications are routinely denied each year; every year, the previous year's approved application is resubmitted and subsequently denied. She said Section 2 allows the programs to base its monitoring on [a family's needs]; Section 3 promulgates local district control of the materials being used and what educational concepts are covered. She added her belief that this is aligned with legislative intent and statutes already in place.

Number 1387

CHAIR DYSON expressed his perception that Ms. Simpson has been actively assisting the bill's sponsor and his office with this bill. He noted his appreciation for her efforts. He asked if she had seen the amendments before the committee and was comfortable with them.

MS. SIMPSON replied that she had a question about why the proposed regulations and the wording [in HB 464] say "statewide correspondence programs" and therefore exclude in-district correspondence programs. Noting her curiosity about the department's distinction between the two types of programs, she asked: what perceived problem prompted greater [proposed] regulation of the statewide programs?

CHAIR DYSON responded that he had the same question and that the committee would seek an answer to it.

Number 1439

TIM SCOTT testified via teleconference. He indicated his agreement with Amendments 1 and 2, and told members that much of what he wanted to say had already been said. In response to Chair Dyson, he said that from his perspective, he saw no problem with Amendment 3.

Number 1472

RUSS BOWDRE testified via teleconference. He said his family has home schooled for over 20 years; he is in favor of the bill. He indicated he had a question about an amendment that had already been addressed. He noted his appreciation for Representative James's and others' efforts to push this bill forward. There is no need to change the regulations, he offered; if a need exists, this bill addresses the concerns of home schoolers.

Number 1535

CHRISTINE AXMAKER testified via teleconference. A home school parent of three children, she has been home schooling for about nine years. She noted that she had faxed written testimony to the committee. Returning attention to Representative Wilson's comment about a lack of accountability, Ms. Axmaker pointed out that parents are accountable to the IDEA program on a regular basis through reports and annual tests. She offered that her children are "accelerated" and have scored well into the 90 percentile on all their tests. She asked, "Why are they messing with such a good program?" She concluded, "We want this bill to pass because we feel it will protect our rights; it will make it easier for us to continue doing what we do."

Number 1589

JOAN DANGELI came forward to testify, noting that she is a Juneau home school parent with the CyberLynx program. She asked if the committee might consider inserting the word "grading" following the words "individual education plans" in Amendment 3. In response to Chair Dyson, she offered that the last line would read, "disapproving individual education plans, grading and home designed courses." She returned to the subject of accreditation and noted that she wonders how the state is receiving accreditation in rural areas. She expressed her understanding that rural parents home school their children due to the lack of educational options.

CHAIR DYSON offered to try to get that question answered. He related his understanding that programs are accredited and that there is some way of assessing and monitoring the students.

MS. DANGELI said her son participates in much more strenuous physical education than he did in [traditional public] school; he works very hard.

Number 1693

REPRESENTATIVE STEVENS asked Ms. Dangeli if she was requesting in her proposed change to Amendment 3 that the district establish procedures for grading, or that the district do the grading.

MS. DANGELI replied, "That they be allowed to set their ... procedures for grading." She referred to the proposed regulation, [4 AAC 33.421(e)(2)], which references grades or standards met, determined and assigned by a certified teacher. She explained that her home school program allows for [grading by a] parent or [certified teacher]. She noted that she took on the task of grading this year because [program personnel] had so much to do. Grading in the program is "pretty straightforward," she said, and is based on weekly assessments in reading and math. She added, "I felt if it could be left at their discretion, and maybe kick in something if a child isn't doing good for two years in a row or something, then the district can have the option of saying, 'Okay, now we're going to do the grading....'"

Number 1769

CHAIR DYSON asked Dr. McLain how long it would take him to research Amendment 3.

DR. McLAIN stated his desire to check with the accreditation association. He indicated that although he would be gone for a week, someone else could present it on his behalf [on March 19]. He said the department will do its best to obtain an answer. This is a high priority for the department, he noted.

CHAIR DYSON returned to the question raised by Ms. Simpson regarding the difference between in-district and statewide correspondence programs.

DR. McLAIN explained that one key difference between the two types of programs is that a school district has, by statute, the

responsibility for providing education to children residing in its district. He noted that this statute is very specific; he didn't have the exact citation, but said it was a matter important to [EED], he said. There is not a legal obligation for a district to serve students outside the district; he said when Galena was applying for impact-aid reconsideration, that was one of the points the district raised. He offered that [EED] used a lot of material from Galena when preparing the [proposed] regulations. "So this is not about Galena," he said. He stated that Galena is doing a good job, and [EED] wants to support that. However, Galena is not required to serve [the students outside its district boundaries]. He indicated [EED] does not want to see students left [outside the responsibility of a district].

Number 1868

CHAIR DYSON offered his understanding that [EED] views the two type of programs differently because a district has legal responsibility only for the students within the district. When school districts are [delivering instruction to students outside of district boundaries], the same obligation does not exist.

DR. McLAIN replied that in addition to that, there are related issues such as representation. The Galena district has a very active site council; parents are able to have input. There is no requirement for Galena to do this. Other programs may or may not do that.

Number 1897

REPRESENTATIVE STEVENS asked Dr. McLain whether he had concerns about the language in the original bill wherein Section 3 discusses the approval or disapproval of curriculum materials, or whether his concern was about the individual education plan.

DR. McLAIN replied that there is a statute that calls for school boards to approve materials and curriculum; he expressed his desire to find the statute to gain a precise understanding of it. He said he wants to discuss this with [EED] attorneys to determine how this language in the bill might conflict with statute. Additionally, accreditation is at issue. When Galena applied for accreditation, the issue of grading came up. Galena specifically identified the certified teacher as assigning the grades when "push comes to shove." This application spoke "very emphatically" about the close relationship between [the certified teacher and a home school family], he said.

DR. McLAIN referenced a conversation with an accreditation representative in which the representative indicated that the [grading issue] is a critical [component of accreditation]. Dr. McLain noted his intention to ask this accreditation representative what impact "this sort of piece might have." He again referenced Galena's application for accreditation wherein Galena was asked, "Do you do things very differently?" The response from Galena was that its students are held to exactly the same sort of standards and requirements. He said:

This would seem to be ... very much of a moving away. And so I don't want to see us - with all good intentions - walking into a place where the school is not accredited. As the last speaker brought up, the issue of accreditation is of interest, especially to those parents whose children may be intending to go to a postsecondary [institution] ... or to transfer into a traditional school.

DR. McLAIN offered that credits are automatically accepted from accredited programs. As Galena is accredited, he noted, its students can [more readily move into other programs]; it is value-added to be accredited. He noted that he would hate to see a program lose accreditation and consequently have less worth.

Number 1995

CHAIR DYSON asked Dr. McLain for his impression of the impact of the proposed inclusion of the word "grading" in Amendment 3.

DR. McLAIN replied, "I think I'm going to be told that that will become ... problematic for the accreditation. But, again, I don't want to speak for them."

CHAIR DYSON said the bill would be scheduled for the following Tuesday if possible. He asked Dr. McLain to have department personnel relay the aforementioned information to the committee.

Number 2034

REPRESENTATIVE JOULE asked Dr. McLain if [Section 1, paragraph (1)] would add a financial burden to districts. If so, how should this be dealt with?

DR. McLAIN replied, "I wouldn't be able to answer how that might impact ... the district. I think that would depend upon how the [district] did that internal review and updating." He offered his belief that some of these programs have been actively "trying to keep themselves up and going;" he speculated that these programs probably would not incur additional expense. He pointed out that [EED] is, based on comments it has received, looking at changing the proposed regulations to call for a five-year review.

Number 2074

CHAIR DYSON expressed appreciation for the work of Representative James, her staff, and others. [HB 464 was held over.]

CHAIR DYSON noted that he had two further items of business for the committee. First, he pointed out that all members but himself had signed the sheet to waive out of committee HB 211, which adds a cost-of-living increase to the Foundation Formula every year. He noted that it could be argued that this is a finance committee matter. He said that if members had signed the waiver with the impression that the chair was eager to dispense with it, they now had an opportunity to change their minds.

CHAIR DYSON also noted that the Joint Committee on Legislative Budget and Audit had recommended that the House Health, Education and Social Services Standing Committee combine the board of professional counselors and the board of marital and family therapy into a single oversight board. Noting that a bill had been drafted, he asked whether members would like to sponsor it as a committee bill.

Number 2150

REPRESENTATIVE WILSON recalled that Representative Murkowski had spoken about something similar on the House floor recently.

CHAIR DYSON said he would find out. Pending that, he asked whether anyone objected to "putting this in the hopper and starting on it"; if it turned out to be a duplication, it would be discarded. [There was no objection stated to the committee's sponsoring a bill to combine the boards of professional counselors and marital and family therapy.]

Number 2168

REPRESENTATIVE COGHILL noted that he'd signed the [waiver of HB 211] under the impression that [it was the chair's goal to dispense with it]. He said he would withdraw his name from the waiver.

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 5:07 p.m.