

ALASKA STATE LEGISLATURE
SENATE HEALTH, EDUCATION AND SOCIAL SERVICES STANDING COMMITTEE

April 7, 2003

1:33 p.m.

MEMBERS PRESENT

Senator Fred Dyson, Chair
Senator Lyda Green, Vice Chair
Senator Gary Wilken
Senator Bettye Davis
Senator Gretchen Guess

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 105

"An Act relating to eligibility requirements for medical assistance for certain children, pregnant women, and persons in a medical or intermediate care facility; and providing for an effective date."

MOVED CSSB 105(HES) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 51(HES)

"An Act requiring pharmacists to include generic drug information on containers in which brand-name prescription drug orders are dispensed."

MOVED CSHB 51(HES) OUT OF COMMITTEE

SENATE BILL NO. 110

"An Act relating to admission to and advancement in public schools of children under school age; and providing for an effective date."

MOVED CSSB 110(HES) OUT OF COMMITTEE

SENATE BILL NO. 104

"An Act repealing the charter school grant program; and providing for an effective date."

MOVED CSSB 104(HES) OUT OF COMMITTEE

SENATE BILL NO. 121

"An Act relating to community schools; and providing for an effective date."

HEARD AND HELD

PREVIOUS ACTION

SB 105 - See HESS minutes dated 3/26/03 and 4/3/03.

HB 51 - No previous action to record.

SB 110 - See HESS minutes dated 4/3/03.

SB 104 - No previous action to record.

SB 121 - No previous action to record.

WITNESS REGISTER

Ms. Marie Lavigne, Executive Director
Alaska Public Health Association
PO Box 9-1825
Anchorage AK 99509

POSITION STATEMENT: Opposed SB 105.

Representative Paul Seaton
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of HB 51.

Mr. Fred Lau, Director
Homer Senior Citizens, Inc.
Homer AK

POSITION STATEMENT: Supported HB 51.

Mr. Eddy Jeans, School Finance Manager
Department of Education &
Early Development
801 W 10th St.
Juneau, AK 99801-1894

POSITION STATEMENT: Supported SB 110.

Mr. John Davis, Superintendent
Bering Straits School District
Unalakleet AK

POSITION STATEMENT: Opposed SB 110.

Mr. Bruce Johnson
Association of Alaska School Boards
No address provided
POSITION STATEMENT: Opposed SB 110.

Mr. Rick Langfitt, Coordinator
Kodiak Island Borough Community Schools
565 Perez Way
Kodiak AK 99615
POSITION STATEMENT: Opposed SB 121.

Ms. Joyce Kitka
Volunteer with Alaska Association for Community Education
No address provided
POSITION STATEMENT: Opposed SB 121.

Mr. Larry Wiget, Executive Director
Public Affairs, Anchorage School District
4600 DeBarr Rd.
Anchorage AK 99519
POSITION STATEMENT: Opposed SB 121.

Ms. Debbie Bogart, Director
Community Education Program
Anchorage School District
4600 DeBarr Rd.
Anchorage AK 99519
POSITION STATEMENT: Opposed SB 121.

ACTION NARRATIVE

TAPE 03-17, SIDE A

SB 105-MEDICAID:CHILDREN/PREGNANT WOMEN/FACILITY

CHAIR FRED DYSON called the Senate Health, Education and Social Services Standing Committee meeting to order at 1:33 p.m. All members were present. He announced SB 105 to be up for consideration and that there was a proposed committee substitute (CS).

COMMISSIONER JOEL GILBERTSON, Department of Health and Social Services (DHSS), explained that SB 105 would lock-in FY 03 administrative standards at 200 percent of the poverty level for Denali Kid Care clients and pregnant women under Medicaid and at 300 percent of the special income standard for the FY 03

administrative standards for seniors in long term care and individuals receiving home or community based waiver services. He explained:

The administration's position is that the standards that are applied in the bill are those that are being currently utilized by the program. Locking them in will remove the inflation factor in the coming years. We believe it's a responsible step to control the growth in the knowledge that we have reached the maximum carrying capacity for our Medicaid program under current financial constraints.

COMMISSIONER GILBERTSON said that the standards are very high and that the chairman has an amendment to lower them. However, the governor supports the high standards.

CHAIR DYSON said he struggled because he wanted to cut to the lowest levels. He asked why the [commissioner] didn't do that.

COMMISSIONER GILBERTSON replied that the application of a uniform standard across various family sizes is necessary to meet some of the equal protection concerns within the program itself. Establishing a differentiating standard for individuals who are technically under the same economic status, though it is adjusted in terms of the income level based on number of children, DHSS doesn't believe is a plan the federal government will approve. They believe that there needs to be at least some uniform standard, even if it is a locked, fixed dollar amount.

CHAIR DYSON asked if this bill is amended, would he prefer that it be amended to a percentage level or to fixed numbers under that percentage level.

COMMISSIONER GILBERTSON replied that it would be hard for him to say at this stage whether to use a fixed dollar amount or a percentage. Either approach would lead to a reduced eligibility standard from that which the governor's bill dedicates eligibility standards at.

CHAIR DYSON explained if they go to a fixed amount, the mechanism the governor supports (letting inflation reduce the impact in the out-years) would be accomplished. If they use a percentage amount, it could be argued that inflation would take it back up to the nominal value it's been at and it would need to be revisited in two or three years.

COMMISSIONER GILBERTSON replied that he understood that, but the governor's concern is the inability of some people to remain in the program. The governor is interested in seeing standards that resemble the 200 percent of poverty standard for FY 03 going into the future. Looking at the chart now, he didn't think they would be capturing the same group of individuals.

SENATOR GARY WILKEN asked if they have an idea of what every ratchet down is worth in general fund money.

COMMISSIONER GILBERTSON replied that one estimate he has is a 25 percent reduction going from 200 percent to 175 percent (150% is the lowest they can go and still be eligible for the enhanced federal match rate under the children's health insurance program with Denali Kid Care's Alaska component). They are expecting a true general fund savings of roughly \$2 million. Going down to 150 percent of poverty level would be going from the \$3.5 to \$4 million.

SENATOR WILKEN moved to adopt amendment #2 as follows: on page 4, line 7 insert \$1,635; on line 8 insert \$2,208; on line 9 insert \$2,782; on line 11 insert \$3,355; on line 13 (family of 5) insert \$3,928; on line 14 insert \$4,501; on line 15 insert \$5,074; on line 17 insert \$5,647; and on line 19 insert \$5,647, plus an additional \$574.

SENATOR GRETCHEN GUESS objected.

SENATOR WILKEN explained that he didn't have a frame of reference other than dollars per hour. So, this was very much a judgment call. His numbers do not use a permanent fund dividend component. They need to get the numbers "nailed down" as a matter of finance. At 200 percent, they picked up people who are making \$9 per hour and yet in the family of four category, a person could have a job at \$19 per hour and a family of eight category could mean a person could making \$32 per hour. At the other end of the spectrum, at 150 percent, you're at \$7 per hour, \$14 per hour or \$24 per hour. He just took the middle number to get a sense of where they are. Now, a family of one can make \$8 per hour and that seemed appropriate to him. A family of four would make a little over \$17 per hour.

SENATOR GUESS explained that she objected because they are talking about pregnant women and kids and, therefore, need to get into some economic analysis of the true impact when those groups aren't covered.

We know the amount of pressure there is on our emergency rooms, especially with kids. And I know from the research I did and I think all the committee knows that when pregnant women don't have access to health care, they have more low birth weight babies who cost society more and that abortion rates go up. I'm not going to be a part of any bill, whether it's the governor's bill or any other bill personally...if it pulls pregnant women off.

She said she pays all the bills and budgets for her family and tried to make a budget to actually be able to afford health care and said:

Although \$17 or \$32 might sound like a lot, Gary, I would actually challenge the committee and Senate to see now after taxes on rent, utilities, insurance and try to find the room where you can have \$600 to \$700 so you can afford insurance and that's what we're talking about in the trade offs with families.

CHAIR DYSON asked for a roll call vote.

SENATORS GREEN, WILKEN, and DYSON voted yea; SENATORS GUESS and DAVIS voted nay; and amendment 2 was adopted.

SENATOR WILKEN moved to pass CSSB 105(HES) and attached fiscal note with individual recommendations out of committee.

SENATOR BETTYE DAVIS objected.

CHAIR DYSON asked if anyone else wanted to testify.

MS. MARIE LAVIGNE, Executive Director, Alaska Public Health Association, said she represented over 200 health care professionals across Alaska who are deeply committed to developing sound public health policies to improve the health of all Alaskans including access to health care. She urged them to continue eligibility for the Denali Kid Care program at the fullest level possible and stated that SB 105 reduces eligibility. This makes a negative impact on the health of pregnant women and children and others.

Public health research on the health impacts of the uninsured is noteworthy. Uninsured children who need medical [indisc.] care, are four times more likely to go without the care they need than insured children of

the same health needs. As Senator Guess mentioned, when they do get care, they are sicker and are more likely to be seen in the emergency room. Uninsured children are four and a half times more likely to do without needed prescriptions and eye glasses; five times more likely to not receive dental care. Uninsured children are one and a half times more likely to arrive to kindergarten without their vaccinations; they are eight times more likely not to have had a well child visit [recommended periodic check up by a physician] before they arrive at school. Uninsured pregnant women are less likely to receive prenatal care, placing them at risk to deliver early, low birth weight babies and the greatest risk for fetal maternal deaths.

In the governor's transmittal letter, he states, 'while the cost savings associated with this bill are modest in the short term, this measure will significantly reduce future year costs.' From the public health perspective, any short term savings if not compared to the greater loss in terms of the health and well being of pregnant women and children and others impacted under this bill - we urge you to consider this issue from a different perspective. SB 105 is seeking to lower the enrollment of medical assistance programs by reducing eligibility. Yet the most effective approach the Legislature could take is to assist employers and working families to get affordable health insurance...

While there are many factors that contribute to one in five Alaskan's lack of health insurance coverage, one of the greatest barriers remains access to affordable health insurance. A study by the Anchorage Access to Health Care coalition released this fall indicated that 16,000 adults in Anchorage are uninsured; 71% of those are working adults. The majority are in businesses with less than 10 employees. We need the Legislature to take steps to join with businesses in addressing the issue of affordable health care insurance. In the meantime, we urge you to keep the eligibility for this program at the full 200% of its federal poverty level to maximize the health of pregnant women and children who are covered. Thank you.

CHAIR DYSON asked for a roll call vote.

SENATORS WILKEN, GREEN, AND DYSON voted yea; SENATORS DAVIS AND GUESS voted no; and CSSB 105(HES) passed out of committee.

HB 51-LABELING OF PRESCRIBED DRUGS

CHAIR FRED DYSON announced HB 51 to be up for discussion.

REPRESENTATIVE PAUL SEATON, sponsor, explained that HB 51 requires prescriptions to be labeled with the generic name as well as any brand name on the drug label. The purpose is the health and safety of Alaskans. Ways of treating illnesses have changed drastically, especially chronic illnesses. Many more pills are available and typically a person takes all of their bottles and sets each prescription out for the week. If a person orders a prescription and gets it with a brand name on it, it will only have that name on it. If they get a refill, they might get only the generic name. So, a person goes to fill his pill containers and doesn't know precisely what the prescriptions are and ends up double dosing.

This has been a very significant problem for senior citizens, especially. He said the University of Chicago and the FDA have done studies and found that 15 percent of all the drug problems are caused by drug overdoses, because of people not being able to distinguish the names. This is one of the 15 items that the FDA has recommended to change. AARP, the Alaska Association of Health Underwriters, the Alaskan State Medical Association, Aetna Insurance, and a number of senior citizens homes and support this. No one opposes it.

CHAIR DYSON said he assumed that the pharmaceutical industry had been informed and that they support it.

REPRESENTATIVE SEATON replied that is correct.

MR. FRED LAU, Director, Homer Senior Citizens, Inc., said it is an organization that runs programs for seniors 55 and older for nutrition, transportation, adult day care, assisted living, respite and independent living. He affirmed that a large number of these individuals are taking from 5 to 15 medications. They support this bill for the reasons Representative Seaton explained.

SENATOR GUESS moved HB 51 and the attached zero fiscal note out of committee with individual recommendations. There were no objections and it was so ordered.

SB 110-UNDER SCHOOL AGE STUDENTS

CHAIR FRED DYSON announced SB 110 to be up for consideration.

MR. EDDY JEANS, School Finance Manager, Department of Education and Early Development, explained this legislation would clarify in statute the ability of school districts to early-enroll children who are under school age, if they are ready for the academics that are being provided to them. The reason the department asked for this legislation is that it has come to their attention that a number of school districts in the state are basically blanketly enrolling all four-year olds in what they call a two-year kindergarten program. The department does not believe that was the intent of this legislation and that it was intended strictly to allow the exceptional child to get in early. The bill says the state's intent is to provide 13 years of funding for K-12, not 14 years of funding.

SENATOR GRETCHEN GUESS asked if this prohibits a school district from having a two-year kindergarten if they want to use other sources of funding.

MR. JEANS replied that it would not. It just says they would not be able to claim those kids for state foundation funding.

SENATOR BETTYE DAVIS asked how much this would save and how many school districts were doing it. She asked if the children who are identified as needing the two years would be able to continue.

MR. JEANS replied the department believes this section of statute was intended for the exceptional child coming into kindergarten at four-years old and advance to first grade at five years old as opposed to coming into kindergarten at five like most do. Some schools have instituted a two-year kindergarten program, but he would argue that it's preschool.

SENATOR DAVIS repeated how many exceptional students are there. "Do you know the number?"

MR. JEANS replied that their fiscal note identifies all four-year olds that were claimed under the foundation formula this year. There is a savings of \$3.9 million. "We believe some of

these children are eligible to be early-enrolled, but the exact number I could not tell you. We believe it's a very small number."

He noted that right now over 600 four-year olds have been enrolled in school statewide.

SENATOR DAVIS asked if he had asked the districts to identify those children.

MR. JEANS replied that the districts do evaluations, but the standards have been set low enough to allow any four year old to enter into kindergarten. He explained that the age date in statute is August 15, so if a child turns 5 on August 17, he can be evaluated to determine if he is ready to enter kindergarten.

We're trying to address an issue that's come to our attention since we started collecting student level data and we can identify that in some school districts, the population of four year olds is almost identical to the population of five year olds, which leads us to believe they are enrolling them all.

SENATOR WILKEN asked when this first surfaced as a foundation formula issue.

MR. JEANS replied they had been collecting student level data for four years. He heard rumors of it prior to collecting the data, but he couldn't verify it. He now has birth dates.

SENATOR WILKEN noted a spreadsheet in their packets that show five school districts account for about \$2.5 million of the \$3.5 million in funding.

CHAIR DYSON said it was recommended that lines 11-13 be deleted.

MR. JEANS replied that is correct. It was a clerical error and the House had already deleted it from their bill. He explained that the last sentence says a child under school age may be admitted to first grade or higher, if they meet the minimum standards. This would prevent that exceptional child from being able to enter kindergarten. He added that this is not strictly a foundation program issue. "If we provide foundation funding for four-year olds, then we have to allow those kids to be counted for space. So, it also affects our facility site at the shop."

SENATOR GUESS said she hoped that an under-age school child was defined somewhere. Are they just talking about kindergarten to first grade? She wanted to make sure there were no unintended consequences at any other grade levels.

MR. JEANS replied that was right. It is not their intent to prevent children who need to be held back from being held back. The funding is based on 13 years of schooling.

MR. JOHN DAVIS, Superintendent of the Bering Straits School District, opposed SB 110. He said it represents an effort to control state spending, but he is concerned that it would only save money in the short term. This service is being provided to children who are among the most vulnerable and educationally needy. However, the reduction in funding for this program would not create the \$3.5 million represented. He contended that the bill would cost the district and state additional funds in remedial services and other special services to help those students who will need any help they can get in the future, but that in his district that would not be a large number. The Bering Straits School District has participated in this program for the last 13 years and he contends this is not a new issue to the department.

SUPERINTENDENT DAVIS said that they had heard that this program is intended for only 13 years, but students who do not qualify for a diploma through a high school qualifying exam will be eligible for yet another year of school and possibly two. He would like to continue this program to see that students have this effort early and the expectation of passing the exam will be more likely.

CHAIR DYSON asked how many students he has enrolled in this category.

SUPERINTENDENT DAVIS replied that he has 100 children per class in his school district and this category has 90 students. District wide there is a student count of 1,800.

MR. BRUCE JOHNSON, Association of Alaska School Boards, drew their attention to the governor's investment plan as he outlined his budget. One of the categories under the mission for the Department of Education and Early Development states high quality early care and education programs that improve the well being of young children. Their contention is that the statute as it currently exists allows for that early intervention into the lives of four-year olds who often reside in poor, remote, rural

areas of our state. The notion is that the state begins to serve those kids as a preventative action. A study conducted by the Economic Policy Institute talks about equity at the starting gate regarding social background and differences in achievement as children begin school. This study validates that children enter school with wide achievement disparities and that children in the highest socio-economic groups scored 60 percent higher in mathematics and reading as compared to children in the lowest categories. These findings have helped support what many educators have known for years - the achievement gap begins long before children enter school.

CHAIR DYSON stated that he personally didn't see any correlation between economic standards and school success. He thought the social and cultural values of a family make the biggest difference.

SENATOR WILKEN asked if they didn't do anything about SB 110, would the Fairbanks North Star Borough be able to count all four-year olds as kindergarteners.

MR. JEANS replied that is what could happen this issue is before the Legislature now to get some clarity on application of the statute.

SENATOR WILKEN said this looks truly like a policy call that is driven by the finances.

CHAIR DYSON asked Mr. Jeans if he need legislation to be able to regulate the qualification standards.

MR. JEANS answered that local school districts set the standards by department regulation. A number of different instruments can be used to assess whether or not a child is ready for kindergarten or first grade and the department did not feel it could say which particular assessment everyone should use. He felt that regulation basically had no effect. He said this legislation would go a long way to cure the problem.

SENATOR GREEN moved on page 1, to delete language on line 12 beginning with "a child" through line 13. There were no objections and it was so ordered.

SENATOR DAVIS said she needed some clarification. She said people in those five school districts whom she has talked with say those children need more time. They are not coming in because they're exceptional, but because they will need more

than kindergarten in order to move into the first grade and they want to start with them as early as they can. That service should be provided to those that need it, like with the Headstart program.

SENATOR GREEN said it would be interesting to compare the two programs in Finance.

SENATOR DAVIS said that Headstart was not necessarily in the five districts that are using this program.

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SENATOR DAVIS said that some of districts might have Headstart, but that some kids from every district need more than 13 years to get through school. Some kids are kept in kindergarten and some are held back in first grade. She said this bill hurts the kids who need it the most.

MR. JEANS agreed with many of the things she said, but they are talking about a policy call of whether or not the State of Alaska wants to provide preschool funding through the foundation program. Many districts would enroll four year olds if they thought they were going to get state funding for them. Many of the districts on the list generate impact aid funding. If they operate a preschool program, they will continue to generate impact aid funding, which the state will not count in the foundation program. The districts would be able to retain 100 percent of that funding and continue to support their program. It's a fairness question. If some can do it, all have to be able to do it.

SENATOR WILKEN moved to pass CSSB 110 (HES) from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

SB 104-REPEAL CHARTER SCHOOL GRANTS

CHAIR FRED DYSON announced SB 104 to be up for consideration. In preparing this legislation for charter schools, he asked if federal money was going to be there for sure and when did it start. The answer he got was almost certainly, but they wouldn't know until mid-summer. He wondered if they should delay passing this bill until they are sure of funding and the answer he got back today was that the governor would prefer that it pass with contingency language. He prepared draft contingency language

saying this bill only goes into effect if the federal government agreement happens.

MR. EDDY JEANS explained that this legislation would repeal the state grants for start-up funds for charter schools. It was his understanding that one of the reasons the state started down that road was because there was minimal federal support for starting charter schools. He has a chart that shows the state was granting charter schools \$140,000 to \$180,000 in federal funds. The Legislature passed the state program that consisted of \$500 per student in addition to the federal grants. The highest total for the two grants combined for any of the state's original charters was \$478,000 - a family partnership school charter out of Anchorage.

He said the department had a dialogue with the federal government and had talked with the director of charter schools and floated a proposal that gave charter schools \$150,000 per year for the first four years with a \$45,000 grant in the fifth year for a total of \$495,000. That would easily exceed the combined grant of federal and state that school districts received previously. However, there is no signed grant agreement, yet, and the application is due April 28. They should know by mid to late June whether or not those funds are coming. The charter school coordinator received an e-mail from the director, Dean Kern, saying he liked the proposal, but they still have to go through the grant application process.

SENATOR WILKEN moved to adopt conceptual amendment number 1.

SENATOR GUESS objected for discussion purposes. She asked if the Legislature would evaluate the federal funds it would receive each year or just the first year.

MR. JEANS replied that he understands that this amendment would delay the repeal of the state charter school grant until the department knows whether or not they have secured the federal funding this summer. The effective date of the bill as it is currently written is July 1, 2004. They currently have a \$158,000 request in this year's budget, which will make all charter schools whole under this state program. He thought that Senator Dyson's concern was if they don't get the funding, then the repeal date becomes July 1, 2004 and it just falls off the books. If they secure the federal funds this year, he understands that the state grant would come off the books in July 1, 2004.

CHAIR DYSON said the fundamental question that Senator Guess was asking is what happens if the federal funds go away in the future.

MR. JEANS replied that at that point the Legislature would have to determine whether they wanted to initiate a state grant program again.

CHAIR DYSON asked what was the length of the federal commitment.

MR. JEANS replied five years and they will be requesting \$10 million in federal start up grants.

SENATOR GUESS commented that he had clarified her question and then asked another about whether he had thought about putting a sunset of five years on the repeal. She was concerned about what would happen if the federal funds and the start up funds for charter schools both go away.

MR. JEANS replied that he did not have any discussions with the administration about a sunset date.

CHAIR DYSON added that Senators Guess and Davis had discussions with him about a possible task force to take a much broader look at the whole charter school business. He thought this would be one of the things they would look at, but he, personally, would not recommend a sunset right now.

SENATOR WILKEN moved to report CSSB 104(HES) from committee with individual recommendations and attached fiscal notes. There were no objections and it was so ordered.

SB 121-COMMUNITY SCHOOLS

CHAIR DYSON announced SB 121 to be up for consideration.

MR. EDDY JEANS, School Finance Manager, Department of Education and Early Development (DEED) spoke to SB 121 and explained that it would repeal the current statutes dealing with the community schools program. This program has been in place since 1975 and was adopted to encourage and assist local school districts in the establishment of community schools. The intent of the Legislature was to provide a program of community school grants to be established to provide assistance to local communities in the initial development, implementation and operation of community school programs.

He explained in the early years this program was funded at its statutory authorization. For the last couple of years it has been funded at about \$500,000. The department still thinks that community schools are a viable activity after the school day is over, but they believe the programs are already established and self sufficient without the state's support. He was able to identify about \$1.4 million of total community school expenditures of which the state is providing about a half million (less than 7 percent of the total funding being spent on community schools).

The application process is set out in statute, which still refers to the initial development of a community schools program. The administration and department believe that this statute has fulfilled its intended purpose.

SENATOR WILKEN asked him to go over the Fairbanks figures.

MR. JEANS responded that Fairbanks recorded \$180,000 in community school expenditures in FY02. The state grant was \$50,000; the state's support was almost 28 percent of the total expenses. He said the fiscal note only shows the money that they get through the grant program.

Page 2 of the fiscal note shows the community schools allocation based on FY04 projections. The statute says that districts are entitled to one half of one percent of the foundation aid state support that was provided or \$10,000; whichever is less. He said the total entitlement under this program would be almost \$3.3 million. The Legislature had recommended funding at \$.5 million, which would represent about 15 percent of the total entitlement under FY04 projections.

CHAIR DYSON asked why the Legislature recommended \$500,000.

MR. JEANS replied that he misspoke and that was based on what was in the budget last year.

SENATOR GARY WILKEN said if this legislation were to pass, Fairbanks would lose \$48,688.

MR. JEANS said that is correct.

MR. RICK LANGFITT, Community Schools Coordinator for the Kodiak Island Borough School District, said while the level of state funding may be minimal, that small amount shows base support for the value of community schools programs. The Kodiak school

district is facing a \$2 million budget shortfall for the next fiscal year and the community schools program is one among many valuable programs the district is considering for elimination. State support for it would make it harder to justify eliminating it and the district would lose grant funds if it does not provide a program.

CHAIR DYSON asked him what if the state said if the local people don't care enough about it to fund it, we're getting the wrong signal.

MR. LANGFITT replied that the level of funding Kodiak gets from the community schools grant is \$10,700 and the rest of the money to support the program, which totals \$70,000, comes from local communities. He maintained:

While we're looking to cut things, with that additional state cut, it just makes it that much harder to justify trying to come up with another \$10,000 to support a program when we already have a \$2 million shortfall for next year.

MS. JOYCE KITKA, volunteer with the Alaska Association for Community Education (AACE), referred to information she provided the committee that shows what her organization helped make happen in communities. Existing buildings in 53 out of 53 school districts are being used on nights and weekends as opposed to being closed at the end of the school day or year. Over 20,000 programs and activities were offered and over 342,000 activity hours were logged, over 464,000 youth were served, over 390,000 adults were served, over 20,000 different volunteers logged in almost 212,000 hours. She continued:

...the National Association for Partners in Education state that an average volunteer is worth \$15.62 per hour, if you take that and multiply that by the 212,000 hours, we brought in over \$3 million in services from our volunteers. We think that's an excellent track record and we would challenge you to find any other program in this state that serves as many people on as few state dollars as we get.

MS. KITKA responded to the question of why the program should be state driven for local people by saying she thought it was a partnership and a good faith effort on both parts. She noted:

On Saturday in House Finance, it was referred to as being the spark plug. The \$500,000 was the spark plug that keeps these programs going...We do open gyms. We will not deny that. When I open a gym and I have 150 kids who are hanging out there on a Saturday night, I know it's meeting a need.

MS. KITKA concluded by saying:

The Department of Education's mission statement addresses life-long learning and yet they and the governor are wishing to eliminate the funding for the one vehicle that helps promote this.

She said the Legislature could choose to not fund the program right now as it realizes money is tight, but it can do that and still keep the statute intact.

MR. LARRY WIGET, Executive Director, Public Affairs, Anchorage School District, said the district does not support eliminating the community schools program from the statute or eliminating the funding. He maintained:

According to AS 14.36.010(a), the purpose of the community schools is an expression of the philosophy that the school is a fine educational institution of the community. It's most effective when it involves the people of that community in a program designed to fulfill their educational needs.

He thought the law should be changed, but rather than eliminating community schools from statute, the intent of the law should be changed to include ongoing operation of community school programs.

MS. DEBBIE BOGART, Director, Community Education Program, Anchorage School District, said if passed, SB 121 would devastate community education. This program is a valuable component that contributes to the academic success of our students. It provides continuing education for adults and preschool education for young learners. The community school programs keep the community involved in our schools. It brings people without children into the schools so they know more about them. Last year 33,000 youth and 28,000 adults were involved in their programs.

CHAIR DYSON asked why the department has chosen to eliminate the statute as well as the funding.

MR. JEANS replied that basically DEED was looking to eliminate the funding, but the intent of the program was to provide seed money to get the programs up and running, "and they are up and running."

CHAIR DYSON asked why they couldn't leave in language for the start up of new programs and eliminate the continuous funding language.

MR. JEANS replied that all 53 school districts participate in this program and the start up has occurred. If the Legislature wants to provide on-going operational money, at a minimum the statute needs to be amended to reflect that.

SENATOR WILKEN asked if school districts track the net expenditure of community schools in the chart of accounts.

MR. JEANS replied probably not.

CHAIR DYSON called a brief at-ease and came back on the record to state the agenda for the next meeting. He announced that SB 145 was being held in committee.

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CHAIR DYSON adjourned the meeting at 2:28 p.m.