

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON EDUCATION**

March 1, 2005

5:32 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Chair
Representative Carl Gatto
Representative Bill Thomas
Representative Peggy Wilson
Representative Les Gara
Representative Woodie Salmon

MEMBERS ABSENT

Representative Bob Lynn

OTHER LEGISLATORS PRESENT

Representative John Coghill
Representative Paul Seaton

COMMITTEE CALENDAR

HOUSE BILL NO. 16

"An Act relating to funding for school districts operating secondary school boarding programs and to funding for school districts from which boarding students come; and providing for an effective date."

- MOVED HB 16 OUT OF COMMITTEE

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 20

"An Act relating to a separate appropriation bill for operating expenses for primary and secondary public education and establishing a date by which the bill must be transmitted to the governor each year; relating to notice of nonretention for tenured teachers; and providing for an effective date."

- MOVED CSSSHB 20(EDU) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 16

SHORT TITLE: SCHOOL FUNDS RELATED TO BOARDING SCHOOLS

SPONSOR(S): REPRESENTATIVE(S) COGHILL

01/10/05 (H) PREFILE RELEASED 12/30/04
 01/10/05 (H) READ THE FIRST TIME - REFERRALS
 01/10/05 (H) EDU, HES, FIN
 02/24/05 (H) EDU AT 11:00 AM CAPITOL 106
 02/24/05 (H) -- Meeting Canceled --
 03/01/05 (H) EDU AT 11:00 AM CAPITOL 106

BILL: HB 20

SHORT TITLE: EDUCATION FUNDING

SPONSOR(S): REPRESENTATIVE(S) SEATON

01/10/05 (H) PREFILE RELEASED 12/30/04
 01/10/05 (H) READ THE FIRST TIME - REFERRALS
 01/10/05 (H) EDU, HES, FIN
 01/24/05 (H) SPONSOR SUBSTITUTE INTRODUCED
 01/24/05 (H) READ THE FIRST TIME - REFERRALS
 01/24/05 (H) EDU, HES, FIN
 01/25/05 (H) EDU AT 11:00 AM CAPITOL 106
 01/25/05 (H) -- Meeting Canceled --
 02/01/05 (H) EDU AT 11:00 AM CAPITOL 106
 02/01/05 (H) Heard & Held
 02/01/05 (H) MINUTE(EDU)
 02/22/05 (H) EDU AT 11:00 AM CAPITOL 106
 02/22/05 (H) -- Meeting Canceled --
 03/01/05 (H) EDU AT 11:00 AM CAPITOL 106

WITNESS REGISTER

RYNNIEVA MOSS, Staff
 to Representative John Coghill
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Presented HB 16 on behalf of Representative John Coghill, sponsor.

EDDY JEANS, Director
 School Finance
 Department of Education and Early Development
 Juneau, Alaska

POSITION STATEMENT: Provided information on behalf of the Department of Education and Early Development for HB 16, and HB 20.

JIM SMITH, Superintendent
 Galena City School District
 Galena, Alaska

POSITION STATEMENT: Testified in support on HB 16.

SANDY EGELSTEN, Counselor
Nenana Student Living Center
Nenana, Alaska

POSITION STATEMENT: Testified in support of HB 16.

Dan Sorenson, Student
Nenana Student Living Center
Nenana, Alaska

POSITION STATEMENT: Testified in support of HB 16.

Sophia John, Student
Nenana Student Living Center
Nenana, Alaska

POSITION STATEMENT: Testified in support of HB 16.

ACTION NARRATIVE

CHAIR MARK NEUMAN called the House Special Committee on Education meeting to order at [5:32:00 PM](#). Representatives Gatto, Wilson, Thomas, Gara, and Salmon were present at the call to order.

HB 16-SCHOOL FUNDS RELATED TO BOARDING SCHOOLS

CHAIR NEUMAN announced that the first order of business would be HOUSE BILL NO. 16 "An Act relating to funding for school districts operating secondary school boarding programs and to funding for school districts from which boarding students come; and providing for an effective date."

[5:33:35 PM](#)

RYNNIEVA MOSS, Staff to Representative John Coghill, Alaska State Legislature, presented the sponsor statement for HB 16 on behalf of Representative Coghill. She explained that HB 16 puts into practice what the U.S. Department of Education, (DOE), currently performs in terms of stipends, and expands it. As of now, she said, the students that do not have access to grades 9-12 qualify for the stipend. She pointed out that this bill would expand [the benefit of the stipend] to other communities. She related that there is a "hold-harmless" so that if a child leaves a community, and the student enrollment [of that community] decreases below 10, they wouldn't lose their basic education package. She summarized that [HB 16] is a pilot

project, "sunsets" in 5 years, and is limited to schools that are operating with boarding schools on Jan 1, 2004.

REPRESENTATIVE WILSON asked if Bethel was included in this legislation.

MS. MOSS explained that [HB 16] includes Bethel, Galena, and Nenana.

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EDDY JEANS, Director, School Finance, Department of Education and Early Development, explained that the State Board Of Education passed Resolution 01.2005 in support of funding for residential programs in: Galena, lower Kuskokwim and Nenana. He related that the state board recognizes that these areas have difficulty in operating residential programs without state funding. He reminded the committee that this bill passed the House of Representatives last year. He said that HB 16 is a five year pilot program, and it would affect the three school districts previously mentioned: Galena, Nenana, and Lower Kuskokwim, the program in Bethel.

REPRESENTATIVE WILSON asked Mr. Jeans to explain how the Average Daily Membership, (ADM), is calculated and how the schools get their funding.

MR. JEANS said that the child is counted for foundation funding purposes, in the district and school that they are receiving educational services. He related that HB 16 provides the three communities mentioned with additional support covering the residential component of that program, including one, free round-trip airfare for children in the program.

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REPRESENTATIVE WILSON inquired as to the children being counted in the district where they came from in addition to where they are receiving education.

MR. JEANS explained, "that under Section 2 [of HB 16], there is a "hold harmless" provision, that if, for some reason, a community has 10 children, and one of them goes to one of these three boarding schools, that community would be "held-harmless" and be funded as if they had 10 children."

REPRESENTATIVE GATTO restated, "the school gets funded a blanket number of dollars for the school of 10; it isn't like we're counting that kid as adding to the amount of money the school receives, correct?"

MR. JEANS said that Representative Gatto was correct.

REPRESENTATIVE GATTO referred to page 2, line 9 [of HB 16], and inquired as to the definition of a full school year.

MR. JEANS stated that section of the bill refers to the school year, as defined by statute, which is 180 days.

REPRESENTATIVE GATTO inquired as to the development of a revised school year that would promote a longer summer for boarders to spend with their families.

MR. JEANS responded that discussions related to this idea did not progress last year.

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REPRESENTATIVE WILSON attempted to clarify the reasoning behind the "hold-harmless" provision.

MR. JEANS stated that, "the "hold-harmless" says that you will be funded as if you had 10 kids."

REPRESENTATIVE WILSON inquired as to the "hold harmless" provision acting as a safeguard against the closing of small schools.

MR. JEANS stated that is correct.

JIM SMITH, Superintendent, Galena School District, introduced himself and stated that he was available to answer questions.

REPRESENTATIVE GATTO inquired as to the current number of students in boarding schools.

MR. SMITH explained that the Galena School District is in its eighth year running a residential school program and has 85 students. He said that the program is strongly directed toward vocational education and provides an opportunity for students in the Interior to experience vocational education training that is difficult for smaller schools to offer. He explained that with 40 Galena High School students and 85 residential students,

there is a population base that allows for an aggressive search of support and funding for these kinds of programs.

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REPRESENTATIVE GATTO inquired as to how the successful passage of HB 16 would affect students.

MR. SMITH stated that the operational costs associated with the boarding school programs vary. In Nenana, he explained, there is one school facility, and the boarding students come and go to the main [combined] school, requiring only one set of staff. In the Galena district, the boarding school is on the Galena airbase facilities and there is a separate high school program. He related that shuttle buses transport students to both facilities so that vocational education classes are available to all students. He emphasized that the passage of HB 16 would insure support for the [boarding school] program for another year. He stated that the teaching staff costs \$1,200,000 for 7 teachers, an administrator, counselors, and the dorm staff: the 13 dorm staff members, and a full-time counselor cost \$650,000; the meal program, feeding 85 students and the adults that run the dorm costs \$550,000. He said that he can fund the teaching staff through the student's ADM but the meal program and the dormitory staff are funded by securing money in different ways.

REPRESENTATIVE GATTO asked about the expected ADM added to this legislation.

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MR. SMITH said that HB 16 would bring an additional \$599,300 on top of the current ADM.

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REPRESENTATIVE WILSON questioned how many of the 85 [mentioned] students are in the boarding school.

MR. SMITH said that there are 85 [residential] high school students and 120 students in the "village school".

REPRESENTATIVE WILSON asked how many more students could be served.

MR. SMITH said that there is not enough funding to serve additional students. He added that if Galena develops the

nuclear power plant that is in exploration now, the power costs for the school will decrease and if the airbase becomes available, 500 students could enroll without having to build a new school to house them. The issue of classroom space is a challenge, he said. The other dorms on the base are being used by maintenance people and the airforce. He opined that there is some value to continue involvement in this process because serving students on a "voluntary boarding school profile" will expand in the future, and Galena is a good site.

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REPRESENTATIVE WILSON stated that there are many schools that need more funding. She said that it is a shame that [the legislature] can't fund schools equally.

CHAIR NEUMAN inquired as to summer programs and the usage of [Galena] school facilities year-round. He asked about the percentage of students being served that are "at-risk" or in need of a "safe haven."

MR. SMITH said that Galena has served as an "Answer Camp" site for many years. He explained that this past summer, through grants, "health practices" workshops were offered to interested high school age children. He opined that Galena could serve as a regional learning center. He continued:

I think we have that potential and believe that when you have dorm facilities and meal programs, you attract a lot of training and we have those kinds of things going on, like airport maintenance, we have dispatcher training and aviation ... the facility is ... ideal for summer kinds of ventures and we're open to all of those. In answer to your second question, I guess that's what keeps us in the business ... I would venture a guess that half of our kids in that residential school program are kids that are seeking safe harbor in some capacity or another. They're coming from tough situations ... ours is not an intent to close down rural schools, I am particularly sensitive to rural schools and have been 33 years a teacher and administrator in small communities and schools and I know about consolidation and I know about school closure and that is not something that we want to be a part of ... our community embraces these additional children as family ... but if we can't come to some consistent funding source, it won't be there

much longer because we have had our hand out ... to places like federal delegation and ... the state has to come to a plan at some point how they are going to support these things, and if the attributes of Mt. Edgecumbe are good, then the attributes of Nenana and Galena should be good as well.

5:56:55 PM

CHAIR NEUMAN inquired as to the percentage of Galena High School students pursuing higher education.

MR. SMITH stated that the programs that Galena offers are products of the accelerated efforts in terms of staff development. He said that all of the programs have [test] scores that are above the adequate yearly progress, (AYP), cut lines, including the residential school program. He said that students that come to Galena High School will get a solid education.

REPRESENTATIVE GARA stated that he supports HB 16. He said that he voiced his concerns about HB 20, and that he supports it. He excused himself as he had to leave the meeting.

REPRESENTATIVE GATTO inquired as to where the additional \$6,000 will be spent [if HB 16 passes].

MR. SMITH stated that the cost per residential student is \$20,000. He said that Galena High School receives \$11,000 per student in the "brick and mortar" and that [combined with the additional \$6,000] would raise the amount to \$17,000 per student toward teaching, lodging and feeding. He explained that any additional funds will have to be secured through grants.

MR. SMITH explained that there are many labor challenges associated with creating alternate calendars for the school year. He opined that if it could work, a shorter, more intense, residential school program could be very beneficial to students.

6:01:32 PM

REPRESENTATIVE THOMAS inquired as to what parents contribute to the costs associated with this schooling. He asked how students are selected for this program.

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MR. SMITH stated that there is an open enrollment, and the only screening involves "citizenship" issues. He explained that a dormitory environment requires a certain level of "citizenship" and if there are applicants with behavior and discipline issues, they would not be favorable applicants. He said that, except for "citizenship" issues, applicants are enrolled up to 85 students.

REPRESENTATIVE THOMAS opined that residential programs erode small community schools.

MR. SMITH stated that the Galena School District is sensitive to that issue, and has had students leave to attend Mt. Edgecumbe. He said that the Galena School District has always been a proponent of creating selection for parents and students and giving them an opportunity. In reality, he said, "if that child needs or has a desire to attend somewhere else or look for services somewhere else ... what we do have ... appears to be safe harbor for some of them."

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REPRESENTATIVE WILSON inquired as to how HB 16 will affect other schools and their ability to enroll additional students.

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EDDY JEANS said that both the Galena School District and Nenana School District could support more students, but would need additional funding to do so. He also explained that these are voluntary programs where families are making the choice to attend because of the expanded programs that are offered there.

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REPRESENTATIVE THOMAS expressed his dissatisfaction with the mentioning of "expanded school programs." He said that this gives some students opportunities that other students aren't able to take advantage of.

CHAIR NEUMAN mentioned that residential programs provide a home for kids 24 hours a day. He said that providing this requires additional funding.

REPRESENTATIVE GATTO inquired as to how the Galena School is funded and if the funding continues during the summer months when the students are not attending.

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EDDY JEANS stated that the monthly stipend would be pro-rated to a daily rate to reimburse districts. He explained that the intent is to provide funding for the residential component for a 180 day school year.

REPRESENTATIVE GATTO asked if a short course of students could be added [to Galena High School] over the summer and if the school could be used instead of sitting empty.

MR. SMITH stated that he believes that this is possible but there are labor challenges with teachers.

REPRESENTATIVE WILSON said that she supports HB 16 and that it will make a real difference for kids from all over the state. She commented that all schools are in need of funding and that it is a shame that more money isn't allocated to all of them.

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SANDY EGELSTEN, counselor, Nenana Student Living Center, introduced two students that wanted to testify in support of HB 16.

DAN SORENSON, Alexander Creek, stated his support of HB 16. He explained that there aren't schools where his family lives. He said that his mother home schooled he and his siblings but as they got older, she wasn't equipped to teach them. He expressed his appreciation for the Nenana Student Living Center.

REPRESENTATIVE WILSON inquired as to why he chose the Nenana Student Living Center, as opposed to high schools in Anchorage.

MR. SORENSON explained that his entire family would have had to move in order for him to go to school somewhere else.

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SOPHIA JOHN, Copper Center, stated that she was not doing well in the high school that she was attending. She explained that after attending the Nenana Student Living Center, she is doing well.

SANDY EGELSTEN stated that other students, as well as the Dean and Superintendent [of the Nenana School District], wanted to

testify on HB 16 but could not meet the at the rescheduled time. She also explained that the Nenana School District is asking families to pay \$1000 per year to help out with the costs associated with residential schooling. She emphasized that [for the Nenana Student Living Center] consistent funding is needed more than anything.

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REPRESENTATIVE GATTO inquired as to the number of students that are enrolled in Nenana School, what the attrition rate is, and the number of families that actually contribute \$1000 for their children's school year.

MS. EGELSTEN stated that there are 61 students enrolled, there is about a 10 percent attrition rate, and that a good percentage of families have made the monetary contribution.

REPRESENTATIVE GATTO stated that sometimes federal money is available to native students. He asked if the Nenana School has looked into this possible contribution source.

MS. EGELSTEN stated that she would redirect those questions to the Dean and the Superintendent of the Nenana School District.

REPRESENTATIVE SALMON thanked her for her and the students for their testimony.

REPRESENTATIVE SALMON moved to report HB 16 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 16 was reported out of the House Special Committee on Education.

HB 20-EDUCATION FUNDING

CHAIR NEUMAN announced that the final order of business would be HOUSE BILL NO. 20 "An Act relating to a separate appropriation bill for operating expenses for primary and secondary public education and establishing a date by which the bill must be transmitted to the governor each year; and providing for an effective date."

[6:22:02 PM](#)

REPRESENTATIVE WILSON moved to adopt the committee substitute (CS) for SSHB 20, Version 24-LS0152\F, Cook, 2/7/05, as a

workdraft. There being no objection, Version F was before the committee.

REPRESENTATIVE SEATON, sponsor to HB 20, said that within the committee packet are letters of support from several school districts, the NEA, and individuals. He explained that [CSSSHB 20] changes the date for notifying tenured teachers to March 15 and the deadline for the legislature to pass education funding. He said that included in [CSSSHB 20] are appropriations for operating expenses for primary and secondary education but not appropriations for other purposes.

REPRESENTATIVE GATTO inquired as to what would happen if the legislature does not submit [the education budget] by the deadline.

REPRESENTATIVE SEATON stated that policies and procedures are set out by the legislature and they can be utilized or ignored. He explained that what this legislation does is set a procedure so that by the fourth day of the legislative session, the administration will submit a bill with a proposed education budget and the process can begin.

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REPRESENTATIVE SALMON said that in order to assure that schools would be adequately funded, schools could be supplied with the previous years' funding. He said that an amendment could be added to CSSSHB 20.

REPRESENTATIVE WILSON opined that the aforementioned amendment would not work. She explained that the financial needs of schools change each year. She offered examples of certain schools that would not be adequately funded with last year's budget, if they were given the same amount, this year. She said that the amendment sounded like a good idea, but in reality it would be a step backwards for education funding.

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REPRESENTATIVE SEATON explained that this [legislation] is separating the appropriations process so there would be a separate K-12 education bill. He said that the problem associated with this is that [the legislature] would be passing an appropriation for another legislature. He continued:

the procedure that we are trying to set out here is ... the legislature will establish a separate appropriation bill for education ... we've had education and the rest of the budget all tied together ... if you have fights either within the House or between the House and the Senate, that delays the bill ... no funding goes forward until the end of the session ... that's the whole intent of this ... to create a separate appropriation bill for education ...

REPRESENTATIVE GATTO inquired as to the delay of "pink slips."

REPRESENTATIVE SEATON stated that the "pink slip" section has been removed from [CSSSHB 20] and the date [March 15] has not changed. He said that there is no impact on districts laying off teachers and if they did, they would be able to attend job fairs. He explained that the date was moved forward to March 5 as the date that the education budget would be completed.

REPRESENTATIVE GATTO commented on the sectional analysis for the sponsor substitute for HB 20 and explained that section two states, "changes the date that employers are required to notify tenured teachers of lay off from March 16 to March 25." He asked if this is the sponsor substitute, which is the bill being discussed.

REPRESENTATIVE SEATON clarified that the bill in discussion is the committee substitute for sponsor substitute HB 20.

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REPRESENTATIVE WILSON moved to report CSSSHB 20(EDU), Version 24-LS0152\F; Cook 2/7/05, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSSHB 20(EDU) was reported from the House Special Committee on Education.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Education meeting adjourned around 6:30PM.