

HOUSE FINANCE COMMITTEE  
February 17, 2005  
1:41 p.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [1:41:39 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Eric Croft  
Representative Richard Foster  
Representative Mike Hawker  
Representative Jim Holm  
Representative Reggie Joule  
Representative Mike Kelly  
Representative Bruce Weyhrauch

MEMBERS ABSENT

Representative Carl Moses

ALSO PRESENT

Representative Carl Gatto; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Tom Wright, Staff, Representative John Harris; Carl Rose, Executive Director, Association of Alaska School Boards (AASB); Mike Ford, Alaska Kids Count; Mary Hakala, Coordinator, Alaska Kids Count; Laury Scandling, Yakoos Alternative High School; Brianna Gunderson, Yakoos Alternative High School; Tatianna Sinnhuber, Yakoos Alternative High School; Lillian Worl, Auke Bay Elementary School; Representative Bill Thomas; Meryl Thompson, Mat-Su School District; Andi Story, Juneau School Board, Alaska Kids Count; Andrea Doll, Juneau; John Alcantra, NEA-Alaska; Catherine Reardon, Juneau; John Raster, Juneau; Brittany Kasselder, Juneau

PRESENT VIA TELECONFERENCE

Tim Steele, President, Anchorage School Board; Kim Floyd, Mat-Su School District; Kathy Summers, President, Mat-Su Education Association; Ann Kilkenny, Mat-Su School District; Margaret Gilman, Kenai Peninsula School Board; Melody Douglas, Chief Financial Officer, Kenai Peninsula School District; Kay Andrews, Southwest Region School District

SUMMARY

HB 1 "An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

CSHB 1 (HES) was heard and HELD in Committee for further consideration.

HB 30 "An Act making appropriations for K-12 education operating and school debt expenses; and providing for an effective date."

CSHB 30 (HES) was heard and HELD in Committee for further consideration.

[1:41:50 PM](#)

#hb1

#hb30

HOUSE BILL NO. 1

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

HOUSE BILL NO. 30

"An Act making appropriations for K-12 education operating and school debt expenses; and providing for an effective date."

Co-Chair Meyer announced that public testimony on HB 1 and HB 30 would be taken together.

REPRESENTATIVE CARL GATTO, sponsor of HB 1, explained that a Committee Substitute for HB 1 (HESS) is before the committee. He noted that HB 1 and HB 30 are related: HB 1 increases student allocation and HB 30 is the appropriation bill. HB 1 bill increases the base student allocation by \$343 to \$4919, and represents increases from the Education and HESS Committees. Under this legislation, the total increase for this year would be \$70,089,000.

TOM WRIGHT, STAFF, REPRESENTATIVE JOHN HARRIS, spoke on behalf of the sponsor, and repeated that HB 30 is the appropriation bill for HB 1. He pointed out that appropriations in HB 30 would be made contingent upon passage of HB 1 with a student allocation amount of \$4919, the last total passed. School debt reimbursement and funding for the Alaska Military Youth Academy are also included in this bill.

CARL ROSE, EXECUTIVE DIRECTOR, ASSOCIATION OF ALASKA SCHOOL BOARDS (AASB), voiced support for both bills. He noted that the foundation formula increases proposed by the administration are appreciated as a starting point, but

maintained that more money is needed to provide the level of necessary state support and to prevent a shortfall. He referred to two charts, Base Student Allocation 1999-2007, and Proposed School Funding (copies on file) to highlight possible shortfalls. He referenced the Proposed School Funding graph to show the Governor's proposed funding vs. the funding level needed to support school accountability.

Mr. Rose reported that in November AASB had no ability to determine the needed amount of student allocation. On January 26, 2005, during an audio conference of the five largest school districts, \$4,995 was decided upon, based on recent trends as depicted in the handout Base Student Allocation 1999-2007. A couple days later, several school districts, such as Anchorage and Kenai, stated that their needs exceeded that number. He termed \$4995 a "floor number" necessary in order to move forward on the projection trend line. Mr. Rose asked the committee to consider the thinking that went into this decision. He concluded that the Association's intent was to create a trend line of investment that is seriously needed to meet the requirements of No Child Left Behind, to meet adequate yearly progress requirements, and to meet benchmarks and the high stakes qualifying exam. He encouraged the committee to support \$4995.

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Co-Chair Meyer related that the committee looks at numbers in terms of increases. He asked if the increase would total \$85 million. Mr. Rose said the Governor's increase is \$62 million, HESS's proposed increase is \$70 million, and AASB's request is \$85 million.

MIKE FORD, ALASKA KIDS COUNT, noted that the organization has 400 members across the state made up of parents who are concerned about the public school system. He stated appreciation for efforts already taken by the Governor, Representative Gatto, and AASB to show that education deserves increased funding. He related that Alaska Kids Count proposes an amount of \$5,120, a \$112 million increase, so that schools are able to provide the kind of education they are required to provide. He stressed that it is not fair for the legislature to require higher standards for education without providing resources necessary to meet them. He cited Juneau's need for new textbooks, as well as other critical needs across the state, which will not be met by funding less than \$5120. He submitted a written proposal to the committee.

MARY HAKALA, COORDINATOR, ALASKA KIDS COUNT, a non-partisan group, requested that the committee look at the funding request as a bi-partisan effort. She focused on reduction of large class size as the major concern of the group. She

related a personal story about a positive experience being in a small class. She emphasized that all children should be challenged. She presented information describing a high school teacher's workload when grading 157 student essays. She asked how a teacher could provide enough time, coaching, and encouragement to make proficient writers with such large classes. She requested enough money to reach the classroom and make a difference to kids.

LAURY SCANDLING, YAKOOS ALTERNATIVE HIGH SCHOOL, related that she works with more than 100 students who have already dropped out of high school. She pointed out that one out of three students that start high school at Juneau Douglas High School do not graduate. Many say they could not get the help they needed in a large environment. Ms. Scandling thanked the committee for their work and likened their jobs to that of being an assistant principal. She related that in 13 years in education, she has never seen any extra money. Schools go for years without new textbooks, or proper maintenance, and with huge class sizes. She opined that the net effect for districts around the state would be cuts, in spite of the Governor's budget.

Ms. Scandling "put a face on the consequences of underfunding" by describing the conditions in her school: lack of adequate funds for computers, textbooks, photocopy expenses, and supplies, and lack of space to serve the 25 student dropouts who remain "on the streets". She emphasized that every dollar matters and without funding over \$5,100, the status quo remains. She extended an invitation for members of the committee to visit Yakoos.

TATIANNA SINNHUBER, YAKOOS ALTERNATIVE HIGH SCHOOL, an Alaskan Native from Barrow, explained how she moved to Juneau in her freshman year, but was overwhelmed in high school and dropped out during her sophomore year. She related that correspondence study did not work and she shared that Yakoos changed her life. She asked for support: give kids a chance to succeed and feel good about themselves.

BRIANNA GUNDERSON, YAKOOS ALTERNATIVE HIGH SCHOOL, shared a story about attending JDHS and needing hands-on learning experience, which she was unable to get in a class of 35 students. She ended up with not enough credits to graduate on time, so she went to Yakoos where classes are smaller. She highlighted Yakoos's needs and requested support for extra money.

Co-Chair Meyer asked how big the classes are. Ms. Gunderson replied 15-20 kids.

[2:13:15 PM](#)

TIM STEELE, PRESIDENT, ANCHORAGE SCHOOL BOARD, commented that it is appropriate that there are a variety of numbers requested for student base allocation because school districts around the state face different challenges. He related that the Anchorage School District based its budget on the numbers provided in the Governor's November proposal and made \$10 million in cuts. Student class size was increased, 20 FTE were eliminated, three principal positions were eliminated, department supply accounts were reduced by 10 percent, one director level position was eliminated, two ROTC instructors were eliminated, and other programs were reduced.

Mr. Steele informed the committee that the number required for the Anchorage School District to break even is \$5027 or about a \$90 million increase. The Anchorage School Board passed a resolution that requested a funding level of \$5120, with the opinion that if there ever was a year that education across the state could make some funding progress, this was the year. He shared the goals of the Anchorage School District and asked the committee to please consider a funding level that will allow districts across the state to improve the quality of education students currently receive. He suggested that an investment of \$5120 is "an investment in our most precious natural resource, our children."

MELODY DOUGLAS, CHIEF FINANCIAL OFFICER, KENAI PENINSULA SCHOOL DISTRICT, stated her appreciation for the Governor's proposal and legislative support for education this year. She related that last year's funding was the beginning of an attempt to reduce class size in the Kenai Peninsula School District. She encouraged this trend to allow districts to begin to recover from inflationary costs, increases in utilities, insurance, and employee benefit costs. She conveyed the need for additional funding above \$4919 in order to get beyond operational needs to the classroom.

KIM FLOYD, MAT-SU SCHOOL DISTRICT, thanked the committee for focusing on early funding. She spoke in support of increasing state support for K-12 education beyond the proposed allocation. She noted that the Mat-Su School Board, in partnership with AASB, passed a resolution asking for a base student allocation of \$4995. She recognized the benefits of the increases that were given last year and said that it is making a difference. She emphasized that despite differences in needs, all school districts are working toward improving the quality of education for every child in the state. She detailed the specific needs and key goals of the Mat-Su School District. She maintained that a vote for an increase in education funding is a vote of confidence in the state and the future of its children.

Representative Gatto asked how many portable classrooms would be in use next year. Ms. Floyd responded that there

are currently 52 in use and 23 more will be needed. The average class load will be 26.

KATHY SUMMERS, PRESIDENT, MAT-SU EDUCATION ASSOCIATION, stated appreciation for the legislature's hard work and for the funding increase last year. She related that a priority for the district will be to find a way to fund buildings for an increasing student population. She testified in support of increasing the student base allocation for various programs and needs.

ANN KILKENNY, MAT-SU SCHOOL DISTRICT, parent and concerned community member, requested amending HB 30 to \$5120. She related a parable entitled, "Oliver Wants More".

Representative Weyhrauch thanked Ms. Kilkenny for past e-mails.

KAY ANDREWS, SOUTHWEST REGION SCHOOL DISTRICT, testified in support of increasing the student base allocation. She explained extraordinary costs experienced in rural areas. She noted that she was pleased to see the proposed \$4919 number, but wished it had been amended to increase to \$5026. She requested an increase to \$5026 so that school districts across Alaska can meet state standards and mandates.

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MARGARET GILMAN, KENAI PENINSULA SCHOOL BOARD, spoke as a parent and emphasized the importance of supporting additional education funding. She talked about a 10 percent reduction three years ago that caused larger classes and cuts in programs. She maintained that \$5200 would add programs back, reduce class size, and add technology to remote rural sites. She suggested that the best legacy this legislature could leave is to fund education to truly meet students' needs.

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LILLIAN WORL, AUKE BAY ELEMENTARY, (supplied written testimony) emphasized the importance of supporting additional education funding. She spoke of classroom conditions and her experience as a classroom volunteer. She pointed to the lack of resources for high-needs students. She observed the need for additional funding for pupil transportation. She questioned if kids struggling to succeed will make it to graduation. She noted that many programs have been reduced and pointed out that at-risk students could benefit from sports and art programs, which have been reduced. She stressed that a vote to increase funding is critical because it will provide much needed special education specialists, reduce class sizes, provide classroom

supplies, and fund some of the basics that have been cut over the years.

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In response to a question by Co-Chair Meyer, Ms. Worl noted that kindergarten classes vary in size from approximately 23-27.

Vice-Chair Stoltze and Representative Holms expressed appreciation for kindergarten teachers.

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ANDREA DOLL, JUNEAU, emphasized the importance of supporting additional education funding. She noted that school districts cannot afford textbooks and other basic educational needs. She referred to dropout rates and quoted a study that showed 40 percent of the state's inmates are high school dropouts. She concluded that \$60 million dollars are spent each year to support these people. She related that half of all children and young adults with criminal records and half of all children and young adults with substance abuse have reading difficulties. In some states the size of prisons, a decade in the future, is predicted by fourth grade reading failure rates. She asked the committee to consider \$5120 as the base student allocation.

JOHN ALCANTRA, NEA-ALASKA, spoke in support of increasing state support for K-12 education and student base allocation. He noted that educational needs and proposed allocations vary, but the question that should be answered is what would it take to meet Alaska's constitutional mandate to establish and maintain a public education system that's open to all. He applauded last session's work to support education, after twenty years of flat funding for K-12 education, which did not keep up with inflation. He quoted former-Senator Rick Halford who was fond of saying, "When you're trying to get out of a hole, stop digging. "Last year was an effort to get out of the hole. He suggested that this year funds are available to continue to address funding needs.

Mr. Alcantra requested a base student allocation increase of \$739 per student or \$5015, almost a \$148 million increase overall, and about \$78 million more than is currently proposed. He stated that this amount addresses TRS/PERS and inflation and begins to make a down payment to achieve adequacy.

Representative Weyhrauch asked for clarification of the dollar amount. Mr. Alcantra explained that PERS/TRS is a BSA increase of \$193, which equates to \$36.8 million.

CATHERINE REARDON, JUNEAU, thanked the committee for last year's contributions and charter school grant. She stated support for the dollar amount proposed by Alaska Kids Count. She stressed the importance of funding at a level that can bring more teachers into the classroom. She encouraged funding for small, public charter schools, which are currently funded the lowest possible level. She asked the committee to consider adding language so that charter schools with fewer than 150 students would be funded at 1.17 adjusted student count per child.

Representative Croft asked if language regarding charter schools is included in the bill. Ms. Reardon said it is not.

Representative Weyhrauch thanked the committee for funding the charter school grant last year.

JOHN RASTER, JUNEAU, spoke about the high dropout rate and other ways students are being lost. He shared a personal experience about his daughter who was in a small class, which then increased to 27 children. Instead of moving he decided to home school his daughter because of crowded classrooms and poor pupil teacher ratio. He noted that Alaska graduation rates are 34<sup>th</sup> out of 51 states. He emphasized that a measurable response to that problem would be to decrease the pupil teacher ratio.

BRITTANY KASSELDER, JUNEAU, spoke in support of Alaska Kids Count and discussed the importance of pre-school years and the decay that contributes to high dropout rates. She emphasized that the attention paid to schools directly corresponds to the health of our society.

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MERYL THOMPSON, MAT-SU VALLEY, related that Alaska rates 50<sup>th</sup> in the nation in the percentage of state budget that goes to education.

ANDI STORY, JUNEAU SCHOOL BOARD, ALASKA KIDS COUNT, spoke of reinstating programs and services in the Juneau School District, but related that there are still unmet needs. The most pressing need Alaska Kids Count brought to the School Board was to lower class size, which would cost a million dollars, or \$148 more per student. She supported a student base allocation of \$5120.

Co-Chair Meyer closed public testimony.

HB 1 was heard and HELD in Committee for further consideration.

HB 30 was heard and HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 3:14 PM