

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

April 25, 2005

2:02 p.m.

MEMBERS PRESENT

Senator Fred Dyson, Chair
Senator Gary Wilken, Vice Chair
Senator Lyda Green
Senator Kim Elton
Senator Donny Olson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 16(RLS)

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

HEARD AND HELD

CS FOR HOUSE BILL NO. 156(RLS) am

"An Act relating to the membership and duties of and quorum requirements for the Alaska Commission on Aging; and providing for an effective date."

MOVED CSHB 156(RLS) am OUT OF COMMITTEE

HOUSE BILL NO. 120

"An Act relating to safety devices and sharp instruments for the prevention of the spread of blood-borne pathogens in health care employees; and providing for an effective date."

SCHEDULED BUT NOT HEARD

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
 03/01/05 (H) Moved Out of Committee
 03/01/05 (H) MINUTE(EDU)
 03/03/05 (H) EDU RPT 3DP 2NR
 03/03/05 (H) DP: SALMON, WILSON, NEUMAN;
 03/03/05 (H) NR: GATTO, THOMAS
 03/08/05 (H) HES AT 3:00 PM CAPITOL 106
 03/08/05 (H) Moved Out of Committee
 03/08/05 (H) MINUTE(HES)
 03/09/05 (H) HES RPT 6DP
 03/09/05 (H) DP: CISSNA, GARDNER, ANDERSON, MCGUIRE,
 SEATON, WILSON
 03/30/05 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 03/30/05 (H) <Bill Hearing Postponed>
 04/04/05 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 04/04/05 (H) Heard & Held
 04/04/05 (H) MINUTE(FIN)
 04/05/05 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 04/05/05 (H) Moved Out of Committee
 04/05/05 (H) MINUTE(FIN)
 04/06/05 (H) FIN RPT 5DP 4NR 1AM
 04/06/05 (H) DP: FOSTER, CROFT, MOSES, MEYER,
 CHENAULT;
 04/06/05 (H) NR: HOLM, STOLTZE, WEYHRAUCH, KELLY;
 04/06/05 (H) AM: HAWKER
 04/13/05 (H) RLS AT 8:30 AM CAPITOL 106
 04/13/05 (H) Moved CSHB 16(RLS) Out of Committee
 04/13/05 (H) MINUTE(RLS)
 04/14/05 (H) RLS RPT CS(RLS) NT 5DP
 04/14/05 (H) DP: HARRIS, KOHRING, COGHILL, KERTTULA,
 ROKEBERG
 04/14/05 (H) RETURNED TO RULES COMMITTEE
 04/18/05 (H) TRANSMITTED TO (S)
 04/18/05 (H) VERSION: CSHB 16(RLS)
 04/19/05 (S) READ THE FIRST TIME - REFERRALS
 04/19/05 (S) HES, FIN
 04/25/05 (S) HES AT 2:00 PM BUTROVICH 205

BILL: HB 156

SHORT TITLE: COMMISSION ON AGING

SPONSOR(s): REPRESENTATIVE(s) HOLM

02/18/05 (H) READ THE FIRST TIME - REFERRALS
 02/18/05 (H) HES, FIN

03/17/05 (H) HES AT 3:00 PM CAPITOL 106
 03/17/05 (H) Moved CSHB 156(HES) Out of Committee
 03/17/05 (H) MINUTE(HES)
 03/18/05 (H) HES RPT CS(HES) NT 7DP
 03/18/05 (H) DP: CISSNA, GARDNER, ANDERSON, KOHRING,
 MCGUIRE, SEATON, WILSON
 03/31/05 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 03/31/05 (H) <Bill Hearing Postponed to Tues.
 4/5/05>
 04/05/05 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 04/05/05 (H) Moved Out of Committee
 04/05/05 (H) MINUTE(FIN)
 04/06/05 (H) FIN RPT CS(HES) NT 8DP
 04/06/05 (H) DP: HAWKER, HOLM, WEYHRAUCH, CROFT,
 KELLY, FOSTER, MEYER, CHENAULT
 04/13/05 (H) RLS AT 8:30 AM CAPITOL 106
 04/13/05 (H) Moved CSHB 156(RLS) Out of Committee
 04/13/05 (H) MINUTE(RLS)
 04/14/05 (H) RLS RPT CS(RLS) NT 4DP 1NR
 04/14/05 (H) DP: KOHRING, COGHILL, KERTTULA,
 ROKEBERG;
 04/14/05 (H) NR: HARRIS
 04/14/05 (H) TRANSMITTED TO (S)
 04/14/05 (H) VERSION: CSHB 156(RLS) AM
 04/15/05 (S) READ THE FIRST TIME - REFERRALS
 04/15/05 (S) HES, FIN
 04/25/05 (S) HES AT 2:00 PM BUTROVICH 205

BILL: HB 120

SHORT TITLE: SAFETY FOR HEALTHCARE EMPLOYEES

SPONSOR(S): REPRESENTATIVE(S) WILSON

02/02/05 (H) READ THE FIRST TIME - REFERRALS
 02/02/05 (H) HES, L&C
 02/24/05 (H) HES AT 3:00 PM CAPITOL 106
 02/24/05 (H) Moved Out of Committee
 02/24/05 (H) MINUTE(HES)
 02/25/05 (H) HES RPT 4DP 1NR
 02/25/05 (H) DP: CISSNA, GARDNER, SEATON, WILSON;
 02/25/05 (H) NR: KOHRING
 03/22/05 (H) L&C AT 1:00 PM CAPITOL 17
 03/22/05 (H) Moved Out of Committee
 03/22/05 (H) MINUTE(L&C)
 03/23/05 (H) L&C RPT 4DP 2NR
 03/23/05 (H) DP: CRAWFORD, LYNN, GUTTENBERG,
 ANDERSON;
 03/23/05 (H) NR: LEDOUX, ROKEBERG

04/12/05 (H) TRANSMITTED TO (S)
04/12/05 (H) VERSION: HB 120
04/13/05 (S) READ THE FIRST TIME - REFERRALS
04/13/05 (S) HES, L&C
04/25/05 (S) HES AT 2:00 PM BUTROVICH 205

WITNESS REGISTER

Rynniewa Moss, Legislative Aide
Representative John Coghill
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Introduced CSHB 16(RLS) for the sponsor.

Representative John Coghill
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of HB 16.

JIM SMITH, Superintendent Of Schools
Galena City School District
Galena AK

POSITION STATEMENT: Supported CSHB 16(RLS).

ROBERT LINDQUIST
Nenana AK

POSITION STATEMENT: Supported CSHB 16(RLS).

BRUCE JOHNSON
Alaska State School Board Association
Juneau AK

POSITION STATEMENT:

EDDY JEANS, Director
School Finance
Department of Education and Early Development (DEED)
Juneau AK

POSITION STATEMENT: Supported CSHB 16(RLS).

BARBARA COTTING, Staff
Representative Jim Holm
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Introduced HB 156 for the sponsor.

LINDA GOHL, Executive Director
Commission on Aging

Department of Health &
Social Services
PO Box 110601
Juneau, AK 99801-0601
POSITION STATEMENT: Supported HB 156.

ACTION NARRATIVE

CHAIR FRED DYSON called the Senate Health, Education and Social Services Standing Committee meeting to order at [2:02:35 PM](#). Present were Senators Kim Elton, Donny Olson, Lyda Green, Gary Wilken, and Chair Fred Dyson.

[2:02:57 PM](#)

CSHB 16(RLS)-SCHOOL FUNDS RELATED TO BOARDING SCHOOLS

CHAIR FRED DYSON announced CSHB 16(RLS) to be up for consideration.

RYNNIEVA MOSS, legislative aide to Representative John Coghill, sponsor, explained that HB 16 puts into statute the current practice that is used by the Department of Education and Early Development (DEED), but existing statute has a stipulation saying in order for the state to pay a stipend for a grades 9-12 student in a boarding school environment, that student must not have a school available to attend in his area. CSHB 16(RLS) would offer students more choice in their education by providing a per-student stipend that would help pay for room and board costs and one round trip ticket between the student's community and the boarding school through the year. It wouldn't pay 100 percent of the boarding costs, but about a third to 50 percent.

Nenana parents are required to pay \$1,000 each year for their child's schooling, but that fee could be waived if it proved to be onerous. A hold-harmless provision also says if a student in a school with an attendance of 10 decides to go to a boarding school, that school would not lose its funding at the 10-student level.

REPRESENTATIVE JOHN COGHILL, sponsor of HB 16, added that with the stipend, there would still be district and parental input depending on the district's policy and boarding schools allow students to excel in academics and vocational tech areas. The larger policy question is if the state should continue with boarding schools and the House decided to address that with a five-year report.

He didn't want to create a stipend that created a whole new market. He supported educational alternatives in the state such as schools within schools and charter schools. He explained that most students in boarding schools are from rural areas and while he is not interested in free rides, he wanted opportunities for them to excel and they have proven that they are doing that.

[2:11:49 PM](#)

CHAIR DYSON asked if the state is currently paying stipends that are comparable to the ones provided in this bill.

REPRESENTATIVE COGHILL replied yes.

CHAIR DYSON said that as he reads the bill, students from Galena are currently receiving about \$500 per month.

REPRESENTATIVE COGHILL replied that is correct.

CHAIR DYSON asked if the state has any limits on the number of students for which it provides stipends.

REPRESENTATIVE COGHILL replied that there are no limits except that the students must come from areas without their required daily attendance and HB 16 is knocking that barrier down some.

[2:15:19 PM](#)

CHAIR DYSON asked how much more the state would spend on this bill beyond what it currently spends on stipends and does it have a different funding source.

REPRESENTATIVE COGHILL answered that the fiscal note shows a cost of about \$1.2 million dollars.

SENATOR ELTON asked if the selection process for the dormitory program in Nenana is different from the one in Galena.

REPRESENTATIVE COGHILL replied that students have an application process and agree to a certain level of study and conduct and both Galena and Nenana have a waiting list.

[2:17:13 PM](#)

SENATOR OLSON asked if this bill has a work-study program related to this so that students could defray some of their education costs.

REPRESENTATIVE COGHILL replied that the Rasmussen Foundation contributes some funds to the program and suggested to him that the school in Nenana develop a business plan for additional funding, which they have been working on. He thought the developing a business plan would benefit all boarding schools.

[2:19:13 PM](#)

SENATOR WILKEN said he is concerned that while the sponsor's intentions are good, the state would be cart-blanc funding three schools without a statewide policy. He warned:

If we don't keep pressure on the administration and the state school board to develop a plan, develop a system of boarding schools, then we're doomed for failure. I personally think, Mr. Chairman, that we are going to be driven to boarding schools and the first things we ought to do is quit calling them boarding schools, because it conjures up the old Chemawa model and the thought that kids leave home and go off to some place and never come back - at least don't come back until springtime - and that's not the case. We have the opportunity with existing facilities around the state - Kotzebue, Fairbanks, King Center in Anchorage, Av Tech, King Salmon, Galena - we have the opportunity with existing facilities - Nenana - to put in something that may be best called a prep school.

[2:23:00 PM](#)

SENATOR WILKEN asked what it means that the 67 students at Nenana don't have access to grades 9-12 in their local schools. It seems that only six of them don't have access to a local school. He asked how this list was compiled and why the students on the list are said to not have had such an opportunity.

REPRESENTATIVE COGHILL explained that the confusion is perhaps due to a poorly drafted sponsor statement. Many students in Nenana do have access to a local education, but many of them want to attend boarding schools out of social and academic concerns. It has a very positive impact on their lives and he would like the state to assist those students. He said this bill would help the state establish a boarding school policy.

[2:29:24 PM](#)

SENATOR WILKEN commented that the fiscal note is based on a capacity of 100 students in Galena and 96 in Nenana, but they are not at that capacity today. He asked what the current head

counts are and if it's possible that they will expand in the future.

REPRESENTATIVE COGHILL answered that there really isn't much room for expansion for the Nenana students.

SENATOR WILKEN said that the fiscal note might be off by as much as 40 percent and it should be adjusted.

[2:32:30 PM](#)

SENATOR WILKEN asked how districts would measure the effectiveness of the district secondary school boarding programs discussed on page 2, lines 21 - 23.

REPRESENTATIVE COGHILL answered that benchmark testing and high school exit exams will be a major means of assessing progress and he would continue to help districts work towards having a business plan. He said that the principle measures would be academic achievement and economic soundness.

[2:35:36 PM](#)

SENATOR WILKEN said he assumed the sponsor had talked to the department to see if it could follow through on those issues.

REPRESENTATIVE COGHILL responded that he had and that the department had helped craft the language.

SENATOR WILKEN asked if he would consider using benchmarks rather than waiting for the five-year report on progress.

REPRESENTATIVE COGHILL answered that he was open to that.

[2:38:07 PM](#)

CHAIR DYSON asked if the state is currently paying a stipend for children to go to boarding schools when there is a grades 9-12 school is available in their village.

REPRESENTATIVE COGHILL replied that it is not.

CHAIR DYSON questioned why only six students in Nenana were from schools that didn't have grades 9-12.

REPRESENTATIVE COGHILL responded that is the case and that this bill would allow children other than those without grades 9-12 in their local area to receive a state stipend for boarding school expenses.

CHAIR DYSON commented that the state would go from providing education where there is no option to subsidizing students who choose a residential program.

REPRESENTATIVE COGHILL recognized that as being correct. He added that he wanted to limit the subsidy, because the state needs to establish policy.

2:41:04 PM

SENATOR ELTON asked if the stipend and travel cost reimbursements are dependent upon the student being counted in a district's average daily membership (ADM).

REPRESENTATIVE COGHILL replied:

My immediate understanding is no; if they have been counted in one school, then, if they move to Nenana mid-year or after the count, then my understanding of that is - and Eddy can maybe straighten me out - that the Nenana boarding school just picks up the cost of that and that would probably be no different than any other school....

2:43:08 PM

SENATOR OLSON commented that he is a product of the boarding school system and that the state really has only four years to influence people. If it now waits four years to make a policy call, many good students would be lost. The boarding school student is someone with the ability and ambition to leave the village and often because their parents placed a high value on education. He said that consequently those students are some of the best.

JIM SMITH, Superintendent Of Schools, Galena City School District, supported CSHB 16(RLS). He related that the parent program for this issue allowed children from the Interior the opportunity to pursue vocational education options, but was very difficult for them to travel to larger towns and have success because their propensity was to be grounded in smaller communities. In Galena, the School District felt that the unused Air Force facilities could be used for students and that now provides opportunity and safety for many of the best students in rural areas.

ROB LINDQUIST, Nenana, testified that Nenana has struggled with supporting its facility and expected to have 88 students enrolled for the next year. He didn't see that number going up

in the foreseeable future unless it started using their four handicapped-designed rooms. Currently there are 61 students. He said HB 16 would allow the state to get ahead of the ball in developing its boarding school policy by discovering what does and what does not work ahead of time.

2:48:31 PM

CHAIR DYSON asked if a needs-based test were administered to prevent stipends from going to students from relatively wealthy homes, would many in his area be precluded from the stipends.

MR. LINDQUIST replied that the majority of students in his area would fit into that category. This year they have already instituted a \$1,000 annual registration fee and the Rasmussen Foundation was concerned, because only about 50 percent of their kids actually pay that fee. The comment was made that they have to pay for their food at home and they should be expected to pay for it at school, but he has found in going through a waiver process with their parents, that a lot of them don't pay for housing or food at home. They either have public assistance or subsistence. A small percentage of the parents in his area could pay for such a service, but many could not.

2:50:58 PM

BRUCE JOHNSON, Alaska State School Board Association, said that many rural high schools do not have the ability to meet the needs of their students and this bill would assist children in those areas.

CHAIR DYSON asked if the State School Board Association is in favor of boarding schools in general as well as the stipends to subsidize the students attending them.

MR. JOHNSON replied, "Yes, we believe that without that it's going to be hard to sustain the boarding programs that are now in operation, because of the high cost of the residential piece."

CHAIR DYSON asked if the Board wants the state to pay the stipend even when there is a 9-12 program in the village where the student was attending school.

MR. JOHNSON answered that the Board did not distinguish between those students who did not have a high school available and those who just wanted to go there. The first part of its resolution in favor of this issue supports expanding the boarding home program to provide adequate funding for locally

controlled and operated regional boarding high schools throughout the state.

[2:53:44 PM](#)

SENATOR OLSON said this program had been going on for seven years and asked how many students had gone on to some kind of formal higher education.

MR. JOHNSON replied that he didn't know.

SENATOR WILKEN asked:

Can I infer from your testimony that if we could get a head of steam together to come up with a boarding school policy, the Alaska Association of School Boards would be there to help in that effort?

MR. JOHNSON replied:

Absolutely. We think that would be good public policy. It's probably long overdue. It's much-talked-about, so any assistance that we could lend, we would be more than willing.

[2:54:25 PM](#)

EDDY JEANS, Director, School Finance, Department of Education and Early Development (DEED), said that the State Board adopted a resolution in support of the five-year pilot program currently operating for boarding schools in Nenana, Kuskokwim and Galena. He has also struggled with developing a statewide policy.

It's the old 'which comes first - the cart or the horse?' Do we develop the policy and see if we get funding or do we ask for some funding to support a pilot program and develop policy based on information we gathered from that?

With respect to an earlier question about funding through the Foundation program, which is separate from the funding they are talking about here. He explained:

This bill deals with the residential component to house students in a residential facility. The Foundation program - the funding goes to the district where the kid is being served during the Foundation count period. So, if the child is in Nenana, Nenana generates the dollars. If the child is in Fairbanks or

Eagle River, they generate the dollars. After the Foundation count is over, if a child moves between communities, the money does not follow the child.

The one thing I wanted to make clear with the residential component, under the current program for those kids that do not have daily access, the stipend is paid on a monthly basis. So, if for some reason the child was in a correspondence program at home and then started attending the residential program after the count period, we'd pick up the monthly stipends from that point forward. Or vice versa, if they are in the program and they discontinue, the monthly stipend stops from the point they leave to the end of the school year.

2:56:58 PM

SENATOR ELTON said it's easy to see how that would work with the home schooled child, but the rest of the question is the West Valley student who is counted as a student there and then transfers.

MR. JEANS explained that right now the West Valley child who moves to Galena after the Foundation count isn't eligible for the stipend because he has daily access to a secondary program in his community. "It's those other students that have elected to go to that program by choice that the department cannot provide any financial support for the operations of the residential component...."

CHAIR DYSON said, "But you would if this bill passed."

SENATOR ELTON said it seems like they are paying a school for a student that isn't there and also paying a stipend for that same student when he arrives at the new school.

MR. JEANS responded that the Foundation count period is done statewide in the month of October. Students come and go after that count period and the districts are not compensated for that.

CHAIR DYSON remarked that lots of districts suffer inequities because of in migration of students after the count period.

MR. JEANS admitted, "That very well could be true, Mr. Chairman."

2:59:58 PM

SENATOR WILKEN asked him to explain how the amount of the stipend is justified.

MR. JEANS replied that the department developed the monthly stipends in 1990 based on a number of studies on food costs established by a University of Alaska Extension Service survey, housing cost updates from the Alaska Geographic Differential Study in 1985 and other factors. The amount has been increased on an annual basis according to the Anchorage CPI.

SENATOR WILKEN asked him who makes that decision.

MR. JEANS indicated the commissioner of the DEED.

SENATOR WILKEN asked if the commissioner has some discretion in making that determination.

MR. JEANS replied that he does have such discretion.

3:03:54 PM

SENATOR ELTON asked why the stipend amount is not being put in statute and if the legislature is able to prorate the funding for it - instead of appropriating the full amount as it does with other programs.

MR. JEANS answered that the current boarding home program has been around for a long time and this bill attempts to provide some state support for the boarding component of the program, but not fully reimburse that cost. He reasoned:

Without trying to recreate the wheel, I said we have this program on the books right now and it's on a regional basis - we have five regions. I said you could really kind of piggyback on that and that's why we're here today with this concept. I think that if at the end of the five-year pilot, the report that comes back from the department will probably include some statutory language. We would want it in statute at that point what the policy is for these programs.

SENATOR ELTON asked since there have been several references to the fiscal note, if a future legislature, given the current language of the bill, would be able to under-fund the stipend program or prorate it.

MR. JEANS answered said that the legislature has that ability.

SENATOR WILKEN asked Mr. Smith [Galena School District] what his plans are because his capacity is 100 students and he now has only 62.

MR. SMITH replied that he plans to enroll 100 students if he has the support provided in this bill.

SENATOR WILKEN asked if he had a waiting list that long.

MR. SMITH replied yes.

CHAIR DYSON asked if he wouldn't be able to get up to 100 students enrolled without this bill.

MR. SMITH replied that he would probably enroll 85 because that fits the school-side of the facility better.

SENATOR ELTON said that he had prepared an amendment on page 2, line 10, to address the phrase "in which domiciliary services are provided" which referenced a district rather than a school and he asked the sponsor to consider it.

CHAIR DYSON encouraged everyone to look at the amendment and held the bill for a future meeting.

[3:10:15 PM.](#)

CSHB 156(RLS)am - COMMISSION ON AGING

CHAIR DYSON announced CSHB 156(RLS)am to be up for consideration saying that it only changes the membership of the board.

BARBARA COTTING, Staff to Representative Holm, sponsor, agreed that is what the bill does. She clarified that a senior services provider will be sitting on the commission and because he could possibly be a recipient of one of the grants, his function is taken out of statute so that it's very clear that the commission would not have a conflict of interest by having a provider on the board.

SENATOR ELTON said that one thing that the change will do is make it an 11-member commission with only 10 votes and it seems unusual to have an 11-member commission with an even number of votes.

LINDA GULL, Executive Director, Commission on Aging, responded that the department has an advisory role with the commission that is burdensome in terms of attendance and if there were to be a voting member, it would be a greater burden still.

[3:14:34 PM](#)

SENATOR GREEN asked if there is that much of a conflict with the non-voting member, why not just replace him with someone else.

MS. COTTING agreed that was a good question that should be addressed at the commissioner level.

[3:17:14 PM](#)

SENATOR GREEN asked how the commission receives its federal funding.

MS. COTTING explained that the commission receives its federal funding through the Department of Health and Social Services (DHSS).

SENATOR GREEN moved to pass CSHB 156(RLS)am out of committee with individual recommendations and attached zero fiscal note. There were no objections and it was so ordered.

CHAIR DYSON noted that a hearing on HB 120 would be not held as no one was present to speak to it. There being no further business to come before the committee, he adjourned the meeting at [3:19:04 PM](#).