

HOUSE FINANCE COMMITTEE  
May 2, 2007  
8:42 a.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [8:42:17 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Harry Crawford  
Representative Richard Foster  
Representative Les Gara  
Representative Mike Hawker  
Representative Reggie Joule  
Representative Mike Kelly  
Representative Mary Nelson

MEMBERS ABSENT

Representative Bill Thomas, Jr.

ALSO PRESENT

Senator Johnny Ellis; Gabe Aceves, Staff, Senator Johnny Ellis; Mike Lesmann, Community Relations Manager, Office of Children's Services, Department of Health and Social Services; Michael Curran, Program Coordinator, Office of Faith Based and Community Initiatives; Representative Mike Doogan

PRESENT VIA TELECONFERENCE

Jim Lynch, Vice President of Finance, University of Alaska

SUMMARY

CSSB 76 (HES) "An Act establishing a higher education savings program for eligible children who were placed in out-of-home care by the state; and providing for confidentiality of identifying information of a beneficiary under the program."

CSSB 76 (HES) was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the University of Alaska and with fiscal note #2 by the Department of Health and Social Services.

HB 192 "An Act relating to notification to teachers of layoff or nonretention."

CSSB 192 (HES) was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Education and Early Development.

[8:42:31 AM](#)

HOUSE BILL NO. 192

"An Act relating to notification to teachers of layoff or nonretention."

REPRESENTATIVE MIKE DOOGAN, sponsor, reported that HB 192 changes the timing for layoff notices for tenured teachers in certain circumstances. Currently, the law says that a tenured teacher has to be pink slipped before March 16 if the district thinks that it may not be retaining the teacher. He shared the how his district handles the problem of pink slip layoffs. This law would apply mostly to school districts that don't have many non-tenured teachers such as Valdez. The bill says that in years when there is not an education funding bill by the first of March, the district may put off sending out pink slips to tenured teachers until the end of the school year. The bill is designed to prevent the practice of sending pink slips to teachers who then would not know if they will have a job. It allows for the complete education funding picture to emerge before pink slips get sent. It does not change tenure rules or prevent districts from sending pick slips in March, and doesn't prevent teachers from bargaining for a March pink slip date. It does takes the state out of the business of telling school districts that they have to send pink slips at a time when they are not sure they are going to be laying teachers off.

Co-Chair Meyer pointed out that this issue appears every year.

[8:47:37 AM](#)

Representative Gara spoke in support of the bill.

Co-Chair Meyer concurred.

Co-Chair Chenault wondered about any unintended consequences of the bill. In response to a question by Co-Chair Chenault, Representative Doogan said that up until the time the budget is complete there will be uncertainty regarding staffing. He did not think it was any more likely that teachers would be lost under this bill.

Co-Chair Meyer asked if the teachers' union supports the bill. Representative Doogan replied that the union does not support this legislation. Their fear is that the districts will not act in good faith. Co-Chair Meyer pointed out that teacher recruitment shows happen in the spring. Representative Doogan said there is nothing in the bill that would prevent a teacher from attending a trade show. The intent of the bill is that the state should not be the one causing "phony pink slips" to be handed out.

Representative Crawford related that all of his concerns were assuaged by the sponsor.

Co-Chair Meyer noted one zero fiscal note by the Department of Education and Early Development.

[8:56:22 AM](#)

Representative Gara MOVED to REPORT CSHB 192 (HES) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 192 (HES) was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Education and Early Development.

[8:57:49 AM](#)

CS FOR SENATE BILL NO. 76(HES)

"An Act establishing a higher education savings program for eligible children who were placed in out-of-home care by the state; and providing for confidentiality of identifying information of a beneficiary under the program."

SENATOR JOHNNY ELLIS, sponsor, related that SB 76 establishes the ASPIRE program, an acronym for Alaska's youth Succeed when People Invest Resources in Education. The ASPIRE program is designed to connect churches, community groups, non-profits, businesses and individuals with Alaska's foster children in a confidential way to provide them with the educational opportunities beyond high school. This program will give foster children in the state of Alaska an opportunity to pursue education and vocational training after high school. Senator Ellis reported that there are about 2,000 children in out-of-home placements in Alaska. Every year over 100 of those children "age out" of foster care. The studies and statistics are not great for the outcomes with these children. Other states are moving in this direction. He termed the bill "the government can't do everything" bill.

Senator Ellis noted that the bill is a collaboration between the Office of Faith-Based and Community Initiatives, Office of Children's Services, and the private sector to make good things happen for foster children.

Vice Chair Stoltze noted that SB 76 is a companion to a House bill.

[9:01:41 AM](#)

Co-Chair Chenault asked if the bill would open 529 savings accounts for individual foster children. Senator Ellis said that option is already available, but the legislation would give statutory authority for the Office of Children's Services to, on a confidential basis, make information about these foster children available for the setting up of the accounts. He mentioned the award-winning 529 college savings account program pioneered by Jim Lynch. There is not a tax advantage to individual contributors today, but as more states take this on, there is that possibility.

Co-Chair Chenault asked what happens to the funds if the child does not want to pursue a higher education.

GABE ACEVES, STAFF, SENATOR JOHNNY ELLIS, explained that a foster child would not have direct access to the account. UAS would control the funds. At the age of 30 the state has the option to change the name on the account to another child's.

Co-Chair Chenault noted that UA funds have certain stipulations. He wondered if they apply to 529 accounts. Mr. Aceves replied that the state is the account holder and will decide how the money is to be used, such as for tuition and board.

Co-Chair Chenault asked if the 529 funds would affect the child's ability to receive other financial aid. Mr. Aceves said it would not.

[9:05:41 AM](#)

MIKE LESMANN, COMMUNITY RELATIONS MANAGER, OFFICE OF CHILDREN'S SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, reported that he has worked closely with the sponsor. The Department of Health and Social Services supports SB 76. Children who are wards of the state often do not have the financial ability to go on to higher education. This program would give their community the potential to help them in this endeavor. He spoke strongly in support of SB 76.

[9:07:41 AM](#)

MICHAEL CURRAN, PROGRAM COORDINATOR, OFFICE OF FAITH BASED AND COMMUNITY INITIATIVES, testified in support of SB 76. He shared his experience with working with foster children in the past. He related that foster children often do not have the same advantages as other children. He shared a personal story about one gifted child who met with tragedy due to no future after foster care. He maintained that this bill is a chance for community building and for foster children to fulfill their dreams.

[9:12:11 AM](#)

JIM LYNCH, VICE PRESIDENT OF FINANCE, UNIVERSITY OF ALASKA, discussed how the UA college savings plan would be used. The only requirement is that the schools or institutions be qualified for federal financial aid. The ASPIRE program is closely aligned with the purposes of the UA college savings program, and was designed to create the aspiration that individuals will be going to college.

Representative Nelson mentioned that foster children usually are removed from their families. She wondered if a child reunited with their family would be eligible for this savings account. Mr. Aceves replied that if the child is in state custody for two years they are eligible for the program.

Representative Gara spoke in support of the bill.

[9:16:26 AM](#)

Senator Ellis summarized that this program fits in perfectly with the mission of the Office of Faith-Based and Community Initiatives. The bill brings people together across the political spectrum and harnesses the compassion and generosity of the private sector.

Representative Joule shared a personal story about his grandfather who was raised outside of the immediate family. A person from the Episcopal Church mentored him in his education, which resulted in his grandfather being able to contribute to the community of Point Hope as a teacher. He compared his story to that of one that could happen due to this legislation.

Co-Chair Meyer drew attention to the two fiscal notes.

[9:21:18 AM](#)

Representative Gara MOVED to REPORT CSSB 76 (HES) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 76 (HES) was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the University of Alaska and with fiscal note #2 by the Department of Health and Social Services.

ADJOURNMENT

The meeting was adjourned at 9:23 AM.