

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

March 27, 2008

3:05 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Bob Roses, Vice Chair
Representative Anna Fairclough
Representative Wes Keller
Representative Paul Seaton
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 285(FIN)

"An Act relating to the power and duties of the Department of Education and Early Development for improving instructional practices in school districts; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 386

"An Act relating to an energy subsidy for public schools."

- MOVED CSHB 386(HES) OUT OF COMMITTEE

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 306

"An Act relating to providing a voluntary pre-elementary program within a school district; and providing for the establishment and implementation of a statewide early childhood education plan."

- MOVED CSSSHB 306(HES) OUT OF COMMITTEE

HOUSE BILL NO. 358

"An Act relating to continuing the public education of a homeless student, to the purpose of certain laws as they relate to children, to the determination of costs of maintenance of

certain children in foster care, and to the salaries and benefits of certain social workers employed by the state; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 285

SHORT TITLE: STATE INTERVENTION IN SCHOOL DISTRICT

SPONSOR(S): SENATOR(S) STEVENS

02/19/08 (S) READ THE FIRST TIME - REFERRALS
02/19/08 (S) SED, FIN
02/27/08 (S) SED AT 8:00 AM BUTROVICH 205
02/27/08 (S) Heard & Held
02/27/08 (S) MINUTE(SED)
02/29/08 (S) SED RPT CS 1DP 2NR 1AM SAME TITLE
02/29/08 (S) DP: STEVENS
02/29/08 (S) NR: DAVIS, OLSON
02/29/08 (S) AM: HUGGINS
02/29/08 (S) SED AT 8:00 AM BUTROVICH 205
02/29/08 (S) Moved CSSB 285(SED) Out of Committee
02/29/08 (S) MINUTE(SED)
03/01/08 (S) SED AT 10:00 AM SENATE FINANCE 532
03/01/08 (S) -- MEETING CANCELED --
03/10/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
03/10/08 (S) Heard & Held
03/10/08 (S) MINUTE(FIN)
03/15/08 (H) HES AT 9:00 AM CAPITOL 106
03/15/08 (H) <Bill Hearing Canceled>
03/19/08 (S) FIN RPT CS 2DP 3NR 1AM SAME TITLE
03/19/08 (S) LETTER OF INTENT WITH FIN REPORT
03/19/08 (S) DP: ELTON, THOMAS
03/19/08 (S) NR: STEDMAN, HOFFMAN, OLSON
03/19/08 (S) AM: DYSON
03/19/08 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/19/08 (S) Moved CSSB 285(FIN) Out of Committee
03/19/08 (S) MINUTE(FIN)
03/24/08 (S) FIN LETTER OF INTENT AMENDED
03/24/08 (S) TRANSMITTED TO (H)
03/24/08 (S) VERSION: CSSB 285(FIN)
03/25/08 (H) READ THE FIRST TIME - REFERRALS
03/25/08 (H) HES, FIN
03/27/08 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 386

SHORT TITLE: ENERGY SUBSIDY FOR SCHOOLS
SPONSOR(s): REPRESENTATIVE(s) LEDOUX

02/19/08 (H) READ THE FIRST TIME - REFERRALS
02/19/08 (H) HES, FIN
03/15/08 (H) HES AT 9:00 AM CAPITOL 106
03/15/08 (H) Heard & Held
03/15/08 (H) MINUTE(HES)
03/27/08 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 306

SHORT TITLE: PRE-ELEMENTARY SCHOOL PROGRAMS/PLANS
SPONSOR(s): REPRESENTATIVE(s) GARA, KAWASAKI, NELSON, KERTTULA,
GRUENBERG

01/11/08 (H) PREFILE RELEASED 1/11/08
01/15/08 (H) READ THE FIRST TIME - REFERRALS
01/15/08 (H) HES, FIN
01/31/08 (H) SPONSOR SUBSTITUTE INTRODUCED
01/31/08 (H) READ THE FIRST TIME - REFERRALS
01/31/08 (H) HES, FIN
03/18/08 (H) HES AT 3:00 PM CAPITOL 106
03/18/08 (H) Scheduled But Not Heard
03/25/08 (H) HES AT 3:00 PM CAPITOL 106
03/25/08 (H) Heard & Held
03/25/08 (H) MINUTE(HES)
03/27/08 (H) HES AT 3:00 PM CAPITOL 106

BILL: HB 358

SHORT TITLE: NEEDY CHILDREN: EDUC./ SOCIAL WORKERS
SPONSOR(s): REPRESENTATIVE(s) GARA

02/08/08 (H) READ THE FIRST TIME - REFERRALS
02/08/08 (H) HES, FIN
03/18/08 (H) HES AT 3:00 PM CAPITOL 106
03/18/08 (H) Scheduled But Not Heard
03/27/08 (H) HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

TIM LAMKIN, Staff
to Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 285 on behalf of Senator Stevens, sponsor.

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

POSITION STATEMENT: Answered questions during the hearings on SB 285, HB 386, and HB 306.

LES MORSE, Director
Assessment and Accountability
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on SB 285.

SENATOR GARY STEVENS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered a question during the hearing on SB 285 as the sponsor.

NORMAN ECK, PhD; Superintendent
Northwest Arctic Borough School District
Kotzebue, Alaska

POSITION STATEMENT: Speaking as an individual, testified in support of SB 285.

THOMAS BROWN, Intern
to Representative Gabrielle LeDoux
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 386, on behalf of Representative LeDoux, sponsor.

JIM LANGTON, Superintendent
Denali Borough School District
Healy, Alaska

POSITION STATEMENT: Testified in support of HB 386.

BRUCE JOHNSON, Director
Alaska Association of School Boards
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 386.

REPRESENTATIVE LES GARA
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the changes to HB 306, as the sponsor, and introduced HB 358, as the sponsor.

ACTION NARRATIVE

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at [3:05:49 PM](#). Representatives Wilson, Roses, Gardner, and Keller were present at the call to order. Representatives Seaton, Cissna, and Fairclough arrived as the meeting was in progress.

SB 285-STATE INTERVENTION IN SCHOOL DISTRICT

[3:06:36 PM](#)

CHAIR WILSON announced that the first order of business would be CS FOR SENATE BILL NO. 285(FIN), "An Act relating to the power and duties of the Department of Education and Early Development for improving instructional practices in school districts; and providing for an effective date."

[3:07:38 PM](#)

TIM LAMKIN, Staff to Senator Gary Stevens, Alaska State Legislature, informed the committee that SB 285 was a direct result of the Moore v. State court case that clarified that the legislature has a constitutional obligation to establish and maintain a system of public schools. The judge ruled that the legislature has met its requirement to fund schools, but has failed to maintain those schools. Further, where schools have failed to meet adequate yearly progress, local control must give way to legislative oversight that is delegated to the Department of Education and Early Development (EED). Mr. Lamkin, reading from the court case, remarked:

The court finds that the education clause requires the state to take ultimate responsibility for ensuring that each child in the state is accorded a meaningful opportunity to achieve proficiency in writing, math, reading, and science. ... The evidence at trial clearly established that considerably greater oversight by the state over the education of Alaska's children, at least at the state's most seriously underperforming schools is critically needed. ... In order to achieve compliance with the education clause requirements, to maintain a system of public schools, the state must do, at a minimum, two things. First,

it must establish clear standards for school districts that are necessary for the districts to retain full local control. Second, the state must exercise considerably more oversight and provide considerably more assistance and direction to those schools that are identified as failing to meet the state's constitutional obligation. Finally, this court has found that the state has violated the education clause in one significant respect; although the state may delegate its responsibility to maintain public schools to local school districts as it has done, it has failed to exercise adequate supervision and oversight.

MR. LAMKIN concluded that this bill would provide the means for the EED to exercise the required supervision when needed.

[3:11:15 PM](#)

REPRESENTATIVE GARDNER clarified that Version L was before the committee.

[3:11:24 PM](#)

MR. LAMKIN explained each section of the bill. He pointed out that page 3 of the bill provides clear guidelines as to when an intervention by the EED into a local district school district would occur. Mr. Lamkin called the committee's attention to page 5, line 1, that specified "employees that are in a supervisory capacity over instructional practices." This identified principals and superintendents. Further, throughout the bill, the word "withhold" was replaced by "redirect." Finally, on page 3, there was a minor oversight of a correction.

[3:13:44 PM](#)

REPRESENTATIVE ROSES observed that one of the points from the court case states that when a school is deficient, an intervention occurs throughout the school district based on the performance of one school in the district.

[3:14:47 PM](#)

MR. LAMKIN responded that it was not the purpose of the bill to affect an entire school district. The language of the bill allows the EED to intervene specifically at the school, or schools, that are deficient.

[3:15:03 PM](#)

CHAIR WILSON asked how the EED would determine an intervention was necessary.

[3:15:31 PM](#)

EDDY JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development, spoke first to Representative Roses' question and stated that on page 5, [subparagraph] (A), the language allows for "supervisory authority for instructional practices in the district or in a specified school."

[3:16:02 PM](#)

REPRESENTATIVE ROSES asked, "Who determines the or?"

[3:16:07 PM](#)

MR. JEANS answered that the EED would make the determination.

[3:16:20 PM](#)

REPRESENTATIVE ROSES further asked what guidelines would be used.

[3:16:27 PM](#)

MR. JEANS explained that this legislation was to allow the EED to supervise at the individual school level, as requested by the court. The district as a whole would still be accounted for by the standards under the No Child Left Behind Act of 2001 (NCLB).

[3:17:02 PM](#)

REPRESENTATIVE ROSES gave an example in which a school is deemed deficient and intervention begins. He asked whether the EED advisors would address the concerns only to the personnel of the deficient school or to the entire district.

[3:17:46 PM](#)

MR. JEANS reminded the committee that proposed regulations allow for a school level component that focuses on individual schools. This would direct the EED to work with the district

administration and school board to develop a school improvement plan for a single school, or multiple schools, as necessary.

REPRESENTATIVE ROSES opined that the language in the bill did not make that distinction.

MR. JEANS affirmed that the EED does have a desk audit and intervention strategy for districts in separate regulations.

[3:19:00 PM](#)

REPRESENTATIVE ROSES observed that this discussion is to clarify the distinction and intent of the bill. He noted that there is concern from school districts on this issue.

[3:19:22 PM](#)

MR. LAMKIN pointed out the letter of intent provided in the committee packet.

[3:19:53 PM](#)

CHAIR WILSON recalled that the committee previously used the tests scores from NCLB assessments to determine failing schools. She asked what the procedure would be after the passage of SB 285.

MR. JEANS explained that the common thread between state intervention and NCLB is the use of the same data. However, the state intervention is guided by regulations from the State Board of Education. First, the school must meet its annual yearly progress (AYP); second, 50 percent of the students must be proficient; third, the students must show growth. If there is no growth, the intervention process begins.

[3:22:15 PM](#)

CHAIR WILSON surmised that, in the first year, a school might be put on notice.

[3:22:31 PM](#)

MR. JEANS indicated that, if decreases were apparent in student proficiencies in one year, there would not be any hesitancy on the part of the EED to contact the school and begin a school level improvement plan, including training and possibly the assignment of a school coach.

[3:24:01 PM](#)

REPRESENTATIVE GARDNER referred to page 3, line 25, that directs the EED to inform the legislature before intervention. She asked how this requirement would affect the timing of an intervention.

[3:24:56 PM](#)

LES MORSE, Director, Assessment and Accountability, Department of Education and Early Development, informed the committee that assessments take place in April and school progress determinations would be final, and are analyzed, in August. He pointed out that analysis is not solely based on annual AYP, but on other data also.

[3:25:47 PM](#)

REPRESENTATIVE GARDNER further asked whether a decision made in August would be delayed until the legislature convenes in January.

[3:26:02 PM](#)

MR. JEANS said no. The bill does not require approval by the legislature to intervene, but that the legislature would be provided notice of any action.

[3:26:36 PM](#)

REPRESENTATIVE GARDNER advised that the bill states [page 3, line 26] that the legislature would receive notification before intervention.

[3:27:16 PM](#)

SENATOR GARY STEVENS, Alaska State Legislature, stressed that the legislature can not abandon its responsibility; even during interim, meetings would be held by committees to shoulder this responsibility and to maintain the legislature's involvement.

[3:28:27 PM](#)

REPRESENTATIVE GARDNER expressed her concern that establishing in statute that the legislature must be informed before an intervention, may be an impediment to the EED.

[3:29:01 PM](#)

MR. JEANS opined that this requirement would not be an impediment, but would simply require written notice to the committee chair of each body that an intervention was necessary.

CHAIR WILSON indicated the propriety of notification.

[3:29:39 PM](#)

REPRESENTATIVE GARDNER referred to the transcript of the Moore v State case and read:

Mr. Slotnick said, speaking to the judge, "As far as the legislature taking action, the legislature is going to do what it does. We don't know if it will take any action or not, but as far as what the state Department of Education is doing, that's in progress, that's not going to change, and even if there were action taken by the legislature that wouldn't change the improvement plans that we have in place that we're implementing right now.

REPRESENTATIVE GARDNER then questioned whether SB 285 was necessary.

[3:31:09 PM](#)

MR. JEANS assured the committee that SB 285 clarifies that the legislature supports interventions by the EED in schools. When the EED intervenes through NCLB, the first question from the local district is whether it has the authority to act; this legislation will remove the question of local control.

[3:31:53 PM](#)

REPRESENTATIVE CISSNA opined that the state should support schools in a constructive way. She then referred to page 3, line 27, that read "withholding public school funding" and asked whether "redirecting public school funding" would be more appropriate.

[3:33:44 PM](#)

MR. LAMKIN agreed and indicated that the language would be changed in the forthcoming committee substitute (CS).

[3:34:23 PM](#)

REPRESENTATIVE CISSNA asked whether the school coaches are adequately trained to assist schools in rural communities such as South Naknek, in a supportive and cooperative effort.

[3:35:42 PM](#)

MR. JEANS acknowledged that South Naknek is unique; however, its situation is not new. The high school students have been flying across the river for many years, and now the population has declined and the decision was made at the local level to close the grade school. Previous legislation dictated that a school must have ten students to receive funding at a separate site. On the other hand, this legislation was to help improve student achievement at schools that are not making progress in instructional practices. Mr. Eddy stated that past interventions have resulted in increases in student achievement in all of the districts affected.

[3:37:54 PM](#)

REPRESENTATIVE GARDNER referred to the gains that schools have made after intervention and asked Mr. Jeans whether, in some cases, outside factors can not be overcome.

[3:38:26 PM](#)

MR. JEANS accepted that possibility; however, the state would need to be able to demonstrate to the courts that the EED has made every effort within the confines of the school to increase achievement.

[3:38:44 PM](#)

REPRESENTATIVE ROSES stated his support for the concept of the bill. Furthermore, the state has taken steps beyond this legislation to prove to the court that adequate and equitable adjustments across the state are being made by the implementation of area cost differentials to ensure equitable opportunities for education. Also, the state is making adjustments in school transportation costs. Addressing the concerns of intensive needs students is another prescriptive measure taken. He stressed that the problem will not be solved immediately, however, the state has demonstrated its understanding of the problem and prescriptive measures toward

solutions are underway. Representative Roses pointed out that the court's decision covered K through 12 education, which includes charter, home, and correspondence schools. Thus, the Joint Legislative Education Funding Task Force began the work required, and he indicated that the court should acknowledge this first step. Representative Roses warned that one bill will not provide all of the strategies needed.

[3:43:02 PM](#)

MR. JEANS reminded the committee that the state won the lawsuit in the area concerning whether the state provides adequate funds for education. The point that the judge made was that sufficient oversight was not being provided in areas where students are not meeting proficiencies. He opined that this legislation responds to the ruling by the judge by giving the EED the clear authority to intervene in individual schools.

[3:44:12 PM](#)

REPRESENTATIVE ROSES gave the example of the intervention of the Northwest Arctic School District. He expressed his understanding that three of the twelve schools were identified by the instructional audit, but the intervention was district wide.

[3:44:45 PM](#)

MR. JEANS disagreed.

[3:45:14 PM](#)

MR. MORSE explained that an instructional audit was done in three schools for data on the school district. In addition, data from 2005 was compared and indicated that eight of the twelve schools had declined in performance. Furthermore, ten of the schools had not made AYP for several years. Mr. Morse pointed out that site visits are representative of what is happening in the district. In response to a question, he indicated that sites are picked for their ability to represent the district.

[3:46:44 PM](#)

REPRESENTATIVE ROSES related his experience with irrelevant in-services. He questioned the wisdom of redirecting funds that are needed for programs. On the other hand, perhaps effective

districts should be rewarded. He then asked for an explanation of what the long range impact is to a school that must redirect funding from programs due to an intervention.

[3:49:32 PM](#)

MR. MORSE explained how a lack of efficiency was identified in another school district. The EED assisted the district with changes in curriculum and funding redirection resulted in gains within a short period of time.

[3:51:02 PM](#)

REPRESENTATIVE ROSES reminded the committee that every department in the state has a supplemental budget, except for the school districts. He expressed his concern that the redirection of funds, without a mechanism to recapture those funds, could have a negative impact on schools.

[3:52:10 PM](#)

CHAIR WILSON asked for the funding source that pays coaches who go to the schools.

[3:52:28 PM](#)

MR. JEANS stated that the fiscal note includes over \$200,000 that would be used to hire the coaches, as well as the redirected funds. He cautioned against requiring the districts to pay for the coaches.

[3:53:12 PM](#)

CHAIR WILSON agreed that there is a negative impact of redirecting money from a district's instructional budget to provide funds for a coach. She supported the fiscal note accompanying the bill. Chair Wilson then invited public testimony.

[3:54:32 PM](#)

NORMAN ECK, PhD; Superintendent, Northwest Arctic Borough School District, stated that he was speaking as an individual and indicated his support for SB 285 and the improvements that have been made to the original bill. He agreed that this bill is a first step in acknowledging the constitutional right of all children to be successful academically. Dr. Eck described how

the intervention occurred in his district, and explained that prior to that action, a district wide improvement plan was in progress. His school district was pleased to partner with the EED in the intervention and expects to continue to see student growth. The three schools in his district that were subject to intervention had flat line performances over a period of time and they are now experiencing growth. However, he said that a more focused approach would be superior as teachers in successful schools are unnecessarily included in intervention strategies. Furthermore, the fiscal note accompanying SB 285 is inadequate as schools in rural areas do not have the infrastructure, such as school psychologists and speech pathologists, to make a difference. He suggested a pool of \$5 million that would be available to the five school districts identified for intervention. Dr. Eck summarized that the EED has been communicative with his district on the issues of the intervention; nevertheless, there were errors and flaws in the execution of the task. In fact, there were some harmful aspects to the intervention, and he cited a 50 percent turnover in staff that has occurred as a consequence. Dr. Eck advised the committee that SB 285 was legislation that was necessary for an in-depth examination of all of the issues.

[4:03:08 PM](#)

CHAIR WILSON closed public testimony, and stated her intent to hold the bill.

[4:03:28 PM](#)

REPRESENTATIVE FAIRCLOUGH recalled the statement made by the superintendent that "the department should have been ready." She expressed her belief that the school district should have been ready and pointed out that the EED communicated with the school district on the program and analysis of the intervention. Additionally, she agreed that an intervention by the state should do no harm. Representative Fairclough then opined that the state should establish best teaching practices statewide and intervention is necessary when progress is not being made. She remarked:

We do listen and we cogitate, and we re-think and we debate, but it doesn't mean that it's a statement of fact, just because it's said on the record.

[4:05:27 PM](#)

REPRESENTATIVE SEATON asked Mr. Morse for the definition of proficiency as used in the language of the bill to determine the end date of an intervention and to measure growth.

[4:06:33 PM](#)

MR. MORSE explained that there are four levels of proficiency; far below, below, proficient, and advanced. The EED looks at how many students are proficient and advanced, not just whether there has been an improvement from far below to below. Therefore, there must be a two percent increase in groups of students moving into proficiency in each of the content areas of reading, writing, and math, for three consecutive years.

[4:07:41 PM](#)

REPRESENTATIVE SEATON clarified that the percentage of students moving from proficient to advanced, or from far below to below, has no effect.

[4:08:29 PM](#)

MR. MORSE said that is correct. The ultimate goal is for every child to be proficient, at the minimum.

[4:08:54 PM](#)

CHAIR WILSON observed that a below proficient student would increase by two percent.

MR. MORSE stated that that is the group that would need to make gains.

[4:09:14 PM](#)

CHAIR WILSON opined that the language of the bill differs from Mr. Morse's statement.

MR. MORSE assured the committee of the intent of the bill.

[4:10:26 PM](#)

REPRESENTATIVE SEATON asked whether "proficiency" is the measure, or is it the two percent student growth. He surmised that the two percent increase is in the number of students that pass the line from below proficient to above proficient.

Measurements of students that move from proficient to advanced would not yield an increase in proficiency.

[4:11:51 PM](#)

REPRESENTATIVE ROSES warned about the type of assessment that focuses all of the energy and resources on bringing below proficient percentages up, at the expense of maintaining a steady percentage of advanced students.

[4:12:32 PM](#)

MR. MORSE responded that the growth of all the students in a school is monitored. In finding an exit strategy to end an intervention, an attempt was made to create a line that would be clear enough to indicate a means for proficiency. He assured the committee that growth factors are always measured in the accountability systems.

[4:13:52 PM](#)

REPRESENTATIVE ROSES stated that teaching to mediocrity is his concern. It should not be the intent, or the goal, to focus on the students who need to attain proficiency; the intent should be for every student to increase and individual growth should be measured.

[4:14:43 PM](#)

MR. MORSE said that is correct.

[4:14:46 PM](#)

CHAIR WILSON announced that SB 285 would be held.

HB 386-ENERGY SUBSIDY FOR SCHOOLS

[4:15:14 PM](#)

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 386, "An Act relating to an energy subsidy for public schools."

THOMAS BROWN, Intern to Representative Gabrielle LeDoux, Alaska State Legislature, speaking on behalf of the sponsor, Representative LeDoux, informed the committee that HB 386 was drafted in response to requests made by school districts

throughout the state. He noted that gas prices have increased 110 percent in the last 13 months and, even with the recent passage of funding for education, school districts will have difficulties maintaining budgets. Mr. Brown referred to budget reports submitted by Carl Rose, the Executive Director of the Association of Alaska School Boards, indicating the increase in energy costs involved in operating a school from January to March, 2007. He further described a variety of conservation measures taken at schools across the state.

[4:18:01 PM](#)

REPRESENTATIVE ROSES recalled that one of the factors of the area cost differential is the difference in the price of fuel for the different areas of the state. He stated his opposition to the bill, as it is written, based on the language that directs the state to pay 50 percent of the cost of fuel, as opposed to 50 percent of the increase in the cost of fuel. With appropriate amendments, he stated, he could support the concept.

[4:20:38 PM](#)

REPRESENTATIVE SEATON questioned the inclusion of FY 06 budgeted energy costs.

[4:21:31 PM](#)

MR. BROWN explained that many school districts have attempted to mitigate their own cost issues prior to requesting additional funding. However, these schools are in immediate need.

[4:22:54 PM](#)

JIM LANGTON, Superintendent, Denali Borough School District, described the increases in utility costs for his school district. With the nearby Usibelli Coal mine one of the schools in his district is equipped to heat with coal under certain conditions. Although it is not possible to predict accurately, he estimated an increase of 10 to 15 percent for next year. Dr. Langton stated that energy costs are eating into his budget and instructional cuts are still being made in spite of the additional base student allocation (BSA) funding to his district.

[4:25:06 PM](#)

REPRESENTATIVE ROSES asked what was budgeted last year versus next year.

DR. LANGTON answered that the FY 06-07 actual cost was \$167,000 for electricity and \$260,000 for fuel. This year's budget request will be \$170,000 [for electricity] and \$277,000 [for fuel]. He anticipated exceeding those predictions.

REPRESENTATIVE ROSES observed that there was a \$30,000 increase in total costs.

DR. LANGTON said that the increase is closer to \$40,000.

[4:26:38 PM](#)

REPRESENTATIVE ROSES remarked:

Are you aware that this particular bill would not even pick up the increase, but would give you half of everything that you spent. So if you are projecting an increase of \$40,000 this bill, as it is written, would actually give you \$256,000.

[4:26:52 PM](#)

DR. LANGTON stated that he is not aware of the specific language of the bill. Nevertheless, a majority of the \$100 BSA increase in funds is going to replace school improvement grants in his district.

[4:27:42 PM](#)

BRUCE JOHNSON, Director, Alaska Association of School Boards, stated his organization's support for school districts receiving assistance for the extraordinary costs related to energy.

[4:28:38 PM](#)

CHAIR WILSON closed public testimony.

[4:28:44 PM](#)

REPRESENTATIVE ROSES moved that the committee adopt Conceptual Amendment 1, such that [language relating that] the state shall pay 50 percent of the increase in energy costs for the previous fiscal year [will be inserted].

There being no objection, Conceptual Amendment 1 was adopted.

[4:29:28 PM](#)

REPRESENTATIVE FAIRCLOUGH clarified that the subsidy would only be for the previous year.

REPRESENTATIVE ROSES confirmed that this would pick up 50 percent of the cost of the increase from FY07 to FY08 and then from FY08 to FY09.

[4:30:04 PM](#)

REPRESENTATIVE GARDNER noted that the bill was written for the fiscal year 2007, but the intent of the amendment was not to include the increase from 2006 to 2007.

REPRESENTATIVE ROSES re-stated the intent of the amendment that was adopted.

CHAIR WILSON confirmed that the subsidy was for two years.

[4:31:03 PM](#)

REPRESENTATIVE SEATON asked the EED to comment on the implementation of the amendment.

EDDY JEANS, Director, School Finance and Facilities Section, Department of Education and Early Education, explained that the amount for FY07 is known, and there is an estimate of FY08, so an appropriation could be made for FY09. The financial statements would be available in FY09, thus the amount could be calculated and distributed, and supplemental funds requested, if necessary.

[4:32:18 PM](#)

REPRESENTATIVE SEATON surmised that the appropriation would be a capital budget item this year and the FY09 budget would be immediately paid to the school districts for the past fiscal year.

[4:32:51 PM](#)

MR. JEANS stated that the funding would be allocated to the school districts in FY09 based on 50 percent of the increase

from FY07 to FY08. Another appropriation in FY10 would be provided for the increase from FY08 to FY09.

[4:33:27 PM](#)

REPRESENTATIVE KELLER asked what effect this would have on the requirement that a school district spend 70 percent of its budget on instruction.

[4:33:51 PM](#)

MR. JEANS answered that these funds would free up money that schools are now spending on non-instructional items. For example, funds spent on fuel could be re-directed back into the instructional component.

[4:34:27 PM](#)

REPRESENTATIVE ROSES asked what a \$100 increase to the BSA would cost.

[4:34:49 PM](#)

MR. JEANS responded that a \$100 increase to the BSA costs roughly \$22 million.

REPRESENTATIVE ROSES compared the estimated FY08 energy costs and stated that the amount of \$19,542,000 is just short of the amount of the cost of the increased BSA. Also, this action would bring the total funding to the amount requested by the governor for education.

[4:35:30 PM](#)

MR. JEANS pointed out that the \$19,542,000 remains to be reduced by 50 percent, as directed by the amendment.

REPRESENTATIVE ROSES agreed.

[4:35:57 PM](#)

The committee took an at-ease from [4:36:21 PM](#) to [4:37:02 PM](#).

[4:37:13 PM](#)

REPRESENTATIVE KELLER stated his opposition to the bill as it does not appear that the money appropriated to the school districts would be used for instructional purposes.

[4:37:53 PM](#)

CHAIR WILSON opined that this money would go to instruction, as schools are currently redirecting funds to pay fuel bills.

[4:38:19 PM](#)

REPRESENTATIVE SEATON moved that the committee adopt Amendment 2, such that the language "50 percent" is deleted and new language inserted specifying that the subsidy would be for the increase in fuel cost.

REPRESENTATIVE GARDNER objected. She then asked whether the adoption of the amendment would be the equivalent of the passage of a \$200 increase to the BSA [by the legislature].

[4:39:20 PM](#)

There followed a brief discussion, and members agreed.

[4:39:27 PM](#)

REPRESENTATIVE FAIRCLOUGH stated her opposition to the bill if Amendment 2 is adopted. She stressed that cost increases must be shared.

[4:40:41 PM](#)

A roll call vote was taken. Representatives Seaton, Gardner, Roses, and Wilson voted in favor of Amendment 2. Representatives Fairclough and Keller voted against it. Therefore, Amendment 2 was adopted by a vote of 4-2.

[4:41:34 PM](#)

REPRESENTATIVE SEATON moved to report HB 386, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE FAIRCLOUGH objected.

[4:41:40 PM](#)

REPRESENTATIVE SEATON withdrew his motion. He then moved to report HB 386 as amended, out of committee with individual recommendations and the updated forthcoming fiscal note.

REPRESENTATIVE FAIRCLOUGH objected.

[4:42:30 PM](#)

A roll call vote was taken. Representatives Seaton, Gardner, Roses, Wilson voted in favor of HB 386, as amended. Representatives Keller and Fairclough voted against it. Therefore, HB 386 was reported out of the House Health, Education and Social Services Standing Committee by a vote of 4-2.

HB 306-PRE-ELEMENTARY SCHOOL PROGRAMS/PLANS

[4:48:08 PM](#)

CHAIR WILSON announced that the next order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 306, "An Act relating to providing a voluntary pre-elementary program within a school district; and providing for the establishment and implementation of a statewide early childhood education plan."

[4:44:36 PM](#)

REPRESENTATIVE LES GARA, Alaska State Legislature, speaking as the sponsor, spoke to the recommendations made by the committee during the first hearing. He stated that the committee substitute directs that the Department of Education and Early Development shall devise a plan for early education. Representative Gara related that the EED is supportive of the changes to HB 306. In addition, a revision of the title of the bill is necessary in order to delete "and implementation."

[4:46:30 PM](#)

REPRESENTATIVE ROSES moved to adopt CSSSHB 306, Version 25-LS1228\W, Mischel, 3/26/08, as the working document. There being no objection, Version W was before the committee.

[4:47:14 PM](#)

REPRESENTATIVE ROSES offered Amendment 1, as follows:

Page 1, line 1;

Delete "and implementation"

There being no objection, Amendment 1 was adopted.

[4:47:50 PM](#)

REPRESENTATIVE GARDNER recalled the previous discussion of the bill.

[4:48:16 PM](#)

REPRESENTATIVE SEATON asked for comments from the Department of Education and Early Development.

[4:48:28 PM](#)

EDDY JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (EED), assured the committee that the committee substitute (CS) for HB 306 was exactly what was expected. Furthermore, the EED has attached a revised zero fiscal note for the development of the plan and its presentation to the legislature.

[4:48:45 PM](#)

REPRESENTATIVE ROSES asked whether the language on page 3, line 17, that includes Head Start, remains acceptable.

MR. JEANS indicated that the language was appropriate.

[4:49:21 PM](#)

The committee took an at-ease from [4:49:30 PM](#) to [4:51:34 PM](#).

[4:51:38 PM](#)

CHAIR WILSON explained the reason for the at-ease.

[4:51:49 PM](#)

REPRESENTATIVE FAIRCLOUGH stated that she had been contacted by citizens who served on the Best Beginnings task force. She voiced their concerns that the standards set by the Best Beginnings task force should be incorporated in the bill. She pointed out that a component of the working draft includes early learning guidelines as follows: incorporates the early learning guidelines adopted by the board under AS 14.07.165(6); and

provides for the most effective and efficient coordination with or expansion of pre-elementary programs operating in the state, including Head Start, to the extent permitted by law. She then stated that she would not try to hold the bill.

[4:53:48 PM](#)

REPRESENTATIVE SEATON moved to report CSSSHB 306, Version 25-LS1228\W, Mischel, 3/26/08, as amended, out of committee with individual recommendations and the accompanying revised zero fiscal notes. There being no objection, CSSSHB 306(HES) was reported from the House Health, Education and Social Services Standing Committee.

HB 358-NEEDY CHILDREN: EDUC./ SOCIAL WORKERS

[4:54:55 PM](#)

CHAIR WILSON announced that the final order of business would be HOUSE BILL NO. 358, "An Act relating to continuing the public education of a homeless student, to the purpose of certain laws as they relate to children, to the determination of costs of maintenance of certain children in foster care, and to the salaries and benefits of certain social workers employed by the state; and providing for an effective date."

[4:54:57 PM](#)

REPRESENTATIVE LES GARA, Alaska State Legislature, introduced HB 358 as the sponsor. He informed the committee that the bill was an attempt to address some of the solvable problems within the state's foster care system. Two thousand of Alaska's children are in foster care. Alaska, like many states, has a shortage of social workers which results in delays in the investigation of abuse cases. There are also delays when foster parents need help, or need to contact the state, thus contributing to the shortage of foster families. He opined that the shortage of foster families can not be addressed without first providing more social workers; HB 358 authorizes an increase in salary for social workers. Moreover, the shortage of social workers includes vacancies for funded positions and additional positions that need to be added to the Office of Children's Services (OCS), Department of Health & Social Services (DHSS). Furthermore, the Foster Parent Base Rate is not updated on a timely basis and the bill requires an annual adjustment of the reimbursement rate. Another problem is that foster children who must move between schools experience more

academic and social losses. Representative Gara noted that the bill provides additional support to fund transportation in order to keep permanently placed foster children in their schools of origin, and requires schools to transfer their records within ten days when there is a change in schools. Representative Gara summarized that the bill solves these four problems.

[4:59:39 PM](#)

CHAIR WILSON stated that HB 358 would be held.

[5:00:10 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at [5:00:15 PM](#).