

ALASKA STATE LEGISLATURE
SENATE SPECIAL COMMITTEE ON EDUCATION

March 15, 2008

1:35 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Charlie Huggins, Vice Chair
Senator Bettye Davis
Senator Donald Olson

MEMBERS ABSENT

Senator Gary Wilken

COMMITTEE CALENDAR

Overview: Charter Schools

PREVIOUS COMMITTEE ACTION

No previous action to report.

WITNESS REGISTER

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

POSITION STATEMENT: Participated in overview of charter schools.

RICHARD WEBB, Chairman
Twindly-Bridge APC Board
Chairman and president of the Matsu Charter School Association,
Wasilla AK

POSITION STATEMENT: Participated in overview of charter schools.

GREG MILLER, Principal
Twindly-Bridge Charter School
Wasilla AK

POSITION STATEMENT: Participated in overview of charter schools.

BRAD FALKNER
Academic Policy Committee
Fireweed Academy

Homer AK

POSITION STATEMENT: Participated in overview of charter schools.

TONY NEUMAN, representing himself

Juneau AK

POSITION STATEMENT: Participated in overview of charter schools.

BRENDA TAYLOR, representing herself

Juneau AK

POSITION STATEMENT: Participated in overview of charter schools.

MISTY HAMILTON, Chairman

Academic Policy Committee (APC)

Kaleidoscope Charter School of Arts and Science

Kenai AK

POSITION STATEMENT: Participated in overview of charter schools.

JEFF FRIEDMAN, member

Anchorage School Board

Anchorage AK

POSITION STATEMENT: Participated in overview of charter schools.

KIKI ABRAHAMSON

Fireweed Academy

Homer AK

POSITION STATEMENT: Participated in overview of charter schools.

ANNMARIE KEEP-BARNES, President

Academic Policy Committee

Star of the North secondary school

Fairbanks AK

POSITION STATEMENT: Participated in overview of charter schools.

DANA HANDELIN

Academic Policy Committee (APC)

Anvil City Science Academy

Nome AK

POSITION STATEMENT: Participated in overview of charter schools.

DAVE JONES, Assistant Superintendent

Kenai Peninsula Borough School District (KPSD)

Soldotna AK

POSITION STATEMENT: Participated in overview of charter schools.

CATHERINE REARDON

Staff to Senator Joe Thomas

Alaska State Capitol

Juneau, AK 99801-1182

POSITION STATEMENT: Participated in overview of charter schools.

BONNIE JASON, Teacher
Homer Middle School
Homer AK

POSITION STATEMENT: Participated in overview of charter schools.

ACTION NARRATIVE

CHAIR GARY STEVENS called the Senate Special Committee on Education meeting to order at [1:35:49 PM](#). Senators Huggins, Stevens, Davis, and Olson were present at the call to order.

[1:36:02 PM](#)

Overview: Charter Schools

CHAIR STEVENS announced the overview of charter schools.

[1:36:47 PM](#)

EDDY JEANS, Director, School Finance, Department of Education and Early Development (DEED), said the charter school legislation was initially passed in 1995 when the state had a different funding formula that was based on the instructional unit. The adjustment for elementary schools was 1 instructional unit for every 17 children and 1 instructional unit for every 15 students in secondary schools. So it was very easy to calculate how much money a charter school was generating in the larger communities.

When the department went to the per-student or school-based formula in 1998, there were concerns that the table would promote inefficient small schools in the larger urban areas. So, SB 36 had a component of the funding formula that said alternative schools had to have at least 200 students to qualify as a separate school. That legislation was amended in 2000 to split out charter schools from the alternative school calculation and to drop the threshold for them down to 150 students.

Currently the state has three charter schools that are serving fewer than 150 students. Those schools are in Juneau, Nome and Kenai. The issue has come up on an ongoing basis and the legislature has provided supplemental funding for these small charter schools for the last four years. At one time the supplemental grant was as high as \$250,000 and this year it is proposed to be \$100,000.

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MR. JEANS said the department had worked with various legislators to come up with some alternative funding solutions and what makes the most sense is for the legislature to determine what the appropriate adjustment would be for those schools under 150 students and to simply place a single adjustment factor in statute for them. He referred them to the school size adjustment table in the foundation program that has an adjustment factor of 1.27 for schools with 75-150 students. The spread sheet before them showed what the funding allocation would be under two scenarios - 1.08 and 1.27.

[1:41:20 PM](#)

MR. JEANS said statute required the Juneau charter school with 68 students to be added to the largest school in the district, which is the high school. Their adjustment for FY08 is .84, which is just a little higher than the correspondence allocation of .80. It generated about \$371,000 under that scenario. But if they were to have a single adjustment of 1.08 in statute, their funding would jump to \$477,000. And if the adjustment were 1.27, that would go up to \$561,000.

He said the Education Funding Task Force elected not to address correspondence or charter school funding this summer and deferred it to the proposed standing committees.

[1:43:00 PM](#)

CHAIR STEVENS asked if the funding bills going through the legislature right now have an impact on charter schools.

MR. JEANS responded that HB 273 contained the Funding Task Force recommendations, the first component of which contained the district cost factors. It would implement 50 percent of the cost factors in FY09 and an additional 12.5 percent for the next four years until 100 percent of the cost factors are implemented. The other component increased the base student allocation (BSA) by \$100. The last component changed the funding for the intensive needs students from 5 times the base student allocation to 9, then 11 then 13.

MR. JEANS stated that these three small charter schools, even though the cost factors went up slightly and the BSA went up \$100, are probably are not going to see significant increases in their funding because of the way the statute requires the department to fund them with the largest school. So, if it is the will of the legislature to direct additional resources to

the smaller charter schools, they will need to change the statute or continue supplemental funding. He said the state has 22 charter schools and another one is projected in FY09; the charter school statute allows up to 60 charter schools statewide.

[1:45:11 PM](#)

SENATOR HUGGINS said he has always been a supporter of charter schools; he was on the local school board and his wife started one. He thought they should be looking at all charter schools comprehensively, not just the one element of small charter schools. He said some districts don't give local contributions to charter schools and one of the biggest hurdles for them is housing. Having a correspondence component helps them get started because those don't need housing.

[1:47:15 PM](#)

CHAIR STEVENS agreed with him.

SENATOR HUGGINS said the other component is alternative schools that have a 200-student plateau and maybe that should be lowered to 175, for instance. He wants to see all students succeed, but if they start an industry of small schools that starts to expand, they might price themselves out of business.

[1:48:46 PM](#)

CHAIR STEVENS asked Mr. Jeans if he thought proliferation of small schools was a concern.

MR. JEANS replied that would have to be a policy call; his job is to make him aware of that as a possibility up to the statutory cap of 60 charter schools.

SENATOR HUGGINS said a school with 200 students that loses one would get a large hit.

[1:49:31 PM](#)

MR. JEANS said that figure is probably close to \$300,000. He said the department's position on funding is that it calculates what the school will generate in basic need - the adjusted ADM times the base student allocation - and that has a component of the required local effort in it. Those charter schools that want to participate in the excess local contribution will have to negotiate with their local school boards.

[1:50:50 PM](#)

CHAIR STEVENS asked if there are charter schools that do receive local contributions.

MR. JEANS replied that the charter schools receive through their funding the required local effort. The excess local effort above the requirement varies from district to district.

[1:51:14 PM](#)

RICHARD WEBB, Chairman, Twindly-Bridge APC Board, said he is also chairman and president of the Matsu Charter School Association, Wasilla. He explained that as organizations grow and mature they seek to improve themselves and often form associations. Over the last three years he has been involved with getting the Twindly-Bridge school going. He wanted to address this in terms of a broader perspective.

MR. WEBB said he believed a technological earthquake is taking place that is web-centric, immersive, simulative, mobile and energy independent. It is changing the economy and impact the educational system. He said that charter schools are good at two things in particular. They are, in essence, laboratories and can experiment and look at new ways of doing things; they can do pilot programs that can be taken back to the larger schools. Secondly they are very adaptive. The people at either end of the bell curve in regular schools are not as well served there and can be best served in charter schools that target their needs. Charter schools are just a different color of regular school, but they have their own function.

CHAIR STEVENS called an at-ease at [1:56:20 PM](#).

CHAIR STEVENS called the meeting back to order at [2:05:36 PM](#).

MR. WEBB said charter schools are public schools, but should be looked at for the unique role and character they have. A particular number doesn't accurately reflect their value, and that would have to be looked at comprehensively rather than just as a funding issue.

CHAIR STEVENS asked how many schools he represents and how big they are.

MR. WEBB replied that he represents the three current charter schools in the Matsu Valley as well as a Spanish immersion school that is coming on line. Twindly-Bridge has around 280 students, Matsu Academy has 226 students and Midnight Sun has

164 students. Already the Spanish program has about 120 committed students and it should have no problem reaching 150.

[2:09:02 PM](#)

SENATOR HUGGINS asked if startup grants for charter schools are still in effect.

MR. WEBB replied yes and no. In previous years they got significant federal money, but this year that funding was not applied for because of some mix-up and the association is looking for ways of making up the shortfall. Generally speaking, money is available, but not this year.

[2:10:27 PM](#)

GREG MILLER, principal, Twindly-Bridge Charter School, said his is a home school program that is unique because it offers correspondence classes that can't be taught at home. It is in its third year of operation. Because it is a correspondence program, it exists off of the state foundation unit which covers 80 percent with the district taking 5 percent for indirect costs. So he runs the program on 75 percent of the state foundation funding.

He said charter school funding can be a blessing and a curse. The good point is that they are free to use district money for their needs, but the problem is that there is no other source of revenue. As costs go up, he has to either increase his funding or cut somewhere. So, if they freeze the funding unit, they are also freezing his funding.

CHAIR STEVENS asked where his facility is.

MR. MILLER replied that it is in a leased building and it costs \$100,000 per year.

[2:13:24 PM](#)

SENATOR HUGGINS said correspondence schools are the easiest to start, but Mr. Miller's is in a strip mall. They only get 80 percent of the allocation of dollars and charter schools can get into trouble very quickly because they have to rent their space.

He said that New York State is experimenting with paying teachers a mean salary of about \$120,000 with the objective of seeing if highly paid staff contributes to over-all achievement of the student population.

[2:15:15 PM](#)

BRAD FALKNER, Homer resident, said he is a member of the Academic Policy Committee of the Fireweed Academy, a school of 75 students that shares the district school building of West Homer Elementary that has another 225 students. All 300 grade 3-6 students in Homer go to school in the same building.

He said the charter school allows a choice in education within the same building. When the 200-student limit that was changed to 150 so small charter schools wouldn't break off to get more money than their district counterparts, it didn't have a good effect in a small town like Homer. West Homer Elementary, the charter school, now gets 26 percent less funding per student. The second negative effect was that it forced the school to grow. But Homer has a total of 300 students, which means the charter school needs to take half the students and that puts them in competition unnecessarily with the other district school.

The other problem with the way the funding works is that every small charter school in every separate district is funded at a different level. The Nome High School, for instance, has 300 students, 44 of which are in a separate charter; they are funded at the same level as all the Nome High School students. The Fireweed Academy with 75 students is grouped with three alternative programs-all high schools. So gets funded like a school of 750 students. Because of the difference in programs, there is a 26 percent discrepancy between the same-aged kids in the same building in the same town.

[2:19:53 PM](#)

MR. FALKNER said he thought the funding should be equal statewide. The other problem with the initial charter school legislation is that it doesn't provide for housing a charter school. They really have no right to be in the West Homer Elementary School building. When they first moved in, the building was occupied 50 percent by students. It has pitted the charter community against the district teachers who don't want them in the school.

[2:21:10 PM](#)

CHAIR STEVENS said that Fireweed Academy had 75 students in 2008 and then 128 in 2009. He asked if there was an expansion.

MR. FALKNER replied that the academy was forced to plan to expand to 150, but they were given no space to do it. They can't pay scale for their teachers and do pay \$150,000 to the district

for renting the current four classrooms. Students want to join the school, but there isn't enough funding to expand it.

2:22:20 PM

CHAIR STEVENS asked if he saw that increase happening next year.

MR. FALKNER replied no, but they have to grow to be fiscally responsible and they are going to be forced to contract some classrooms somewhere and grow. That growth will come straight out of the district's student pool putting Fireweed in direct competition with the district school. They don't want to grow, but they need to get to 150 or it will fail. The school has had excellent academic success for 12 years.

SENATOR HUGGINS asked if the Fireweed Academy has to pay the school district for the space it uses.

MR. FALKNER replied yes; they paid 4.64 percent off the top for administrative costs in FY08. They also pay exact pro-rated costs based on per student in the building, but they don't get to use the computer lab or the offices. This district figures out the costs and they end up paying twice as much for a classroom as other charter schools are charging. They pay for the classrooms, the janitors, the heat, lights and electricity and share the cost of running the building pro-rated by student.

2:24:43 PM

SENATOR HUGGINS asked the total on an annual basis.

MR. FALKNER replied that it is about \$150,000 for 75 students, and another \$25,000 - \$28,000 covers administrative costs to the Kenai Peninsula Borough School District. He ended up by saying that he appreciated all the work the legislature has done on this issue.

2:25:40 PM

TONY NEUMAN, Juneau resident, said he has two children who attend the Juneau Community Charter School (JCCS) that serves 65 students and is in its 11th year of operation. It fills a unique roll in education in the Juneau community.

BRENDA TAYLOR, Juneau resident, said she also has two children who attend the Juneau Community Charter School. She said public schools were created nearly 200 years ago to provide equal opportunities for all students. But now one size does not fit all and students succeeding in different learning environments is what the charter school movement is about. The Alaska charter

school statute was created to encourage educational innovation and provide choice for Alaskan families within the public school system. She understood that the funding formula was designed to discourage a proliferation of small schools; however it has had some unforeseen consequences that limit the innovation that the law was supposed to promote.

MS. TAYLOR said there are several good reasons for charter schools to be under 150 students. One reason is factors outside of the school's control, which happened for Bethel's Yup'ik Immersion School where several parents were deployed in Iraq and their families moved to Anchorage. The school went below 150 students and lost hundreds of thousands of dollars as a result. Schools that lose funding like that run the risk of closing.

A second reason for schools to be below the 150-student threshold is if the student population they are targeting is less than 150 kids. A third reason is that the school district can't support a charter school of more than 150 students without having an adverse impact on its neighborhood schools which is what is happening with Fireweed. The fourth reason is that some children really need small learning environments.

[2:29:19 PM](#)

MS. TAYLOR said it's important to recognize that a small school is a good educational tool that the school districts also appreciate having. She wanted to clarify that when they say small schools they mean entire enrollment of the school and not just the class size. A small environment allows for multi-age classes of grades K-1, 2-3 and 4-5 for two years in a row. Small size is a great educational asset, but it is also a great financial liability. They get 30 percent less state funding than any other school in the state outside of correspondence schools.

[2:32:47 PM](#)

JCCS has been able to scrape by for 11 years with penny pinching and volunteer hours, but not having funding keeps them from reaching some of the more diverse families they would like to reach. The barriers to that diversity are lack of transportation and not enough funds to pay for support staff like a counselor or a nurse. They would appreciate more equitable funding.

CHAIR STEVENS said he asked the department to come up with some options and they came up with about \$100,000 for her school. Would she support that?

[2:34:34 PM](#)

MS. TAYLOR replied that would be great.

CHAIR STEVENS ask her to explain in more detail what she meant about charter schools targeting certain students.

MS. TAYLOR replied that she was talking about two different kinds of groups. They would like to have more free and reduced lunch students - the ones that are in a lower socio-economic status. These are also the ones that can't drive their children to school; so they would also want transportation for them.

Secondly, she said they would like help with the principals in finding which students match well with charter schools - kids who are hands-on learners, for instance, and have a hard time sitting at a desk, but flourish in doing more arts and science centered activities. If a parent came to a principal and asked for a different opportunity, for instance, and they could see the charter school not in competition with the rest of the district, but as a different option.

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CHAIR STEVENS asked if JCCS works through the Juneau School Board.

MS. TAYLOR replied that the school board is in charge of its charter and it just got renewed for another eight years. Every year its contract has to be approved and that is primarily centered around proving academic success and that they can survive with the amount of money they get.

SENATOR HUGGINS said charter schools run a gauntlet in renewing their contracts every year, which is a healthy process and he remembered a couple in Anchorage that didn't make it. "They are held to a very high standard that is unique to charter schools - that you have to have a contract renewed."

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MS. TAYLOR said their administration costs are 6.9 percent of their funding.

MR. NEUMAN said the JCCS pays \$60,000 for rent to occupy the basement of a privately owned building. It has no playground, no gymnasium, no teachers' lounge, no cafeteria and not even a lobby. They want to stay downtown to have access to the civic and cultural opportunities.

He said the facility issue is faced by charter schools around the country and often aren't able to participate in the bonding process. He said JCCS doesn't have a gymnasium, but there is one just two blocks away in the Terry Miller Building that is unused all day. Right now their kids have to do physical education in an empty classroom or outside no matter what the weather. He asked if someone could help them with that.

CHAIR STEVENS said he envisioned having problems with people being able to work on the next floor with basketballs going all day.

[2:42:17 PM](#)

MR. NEUMAN responded that there are things like yoga and meditation that don't have a lot of noise.

He said that a comprehensive approach to charter schools is needed, but more immediately three small schools are struggling to stay alive. Part of the reason that more new charter schools aren't being created is because of the 150-student threshold. A quick way to address that is through a more equitable formula.

CHAIR STEVENS suggested that he talk to Senator Cowdery who is the chairman of Legislative Council. He saw problems with using the gym during the work day, but maybe there was a time the gym could be used.

[2:44:07 PM](#)

MS. TAYLOR said the small charter school grant that Senator Huggins has helped them with each year is a boon to them, but the money doesn't get divvied up until January or February when the year is almost done and it has to be spent by May. It doesn't encourage great budgetary planning.

CHAIR STEVENS agreed that they need to move beyond just a band-aid approach.

MISTY HAMILTON, Chairman, Academic Policy Committee (APC), Kaleidoscope Charter School of Arts and Science located in Kenai, said Kaleidoscope was established four years ago and began as a 1-3 grade for 88 students. Next year it will be a K-6 program with 234 students.

She said the mission of Kaleidoscope is to develop responsible citizens and life-long learners. All subjects are taught with rigor and depth and are carefully interwoven to create meaning. Teachers plan collaboratively. There is an emphasis on arts and

science. All subjects are put together by theme and have a lot of parent involvement. Students are enthusiastic, have a sense of ownership and grow quickly.

[2:48:41 PM](#)

CHAIR STEVENS asked if she has transportation assistance.

MS. HAMILTON replied that they have chosen to provide bussing for their students through the school's funding.

JEFF FRIEDMAN, Anchorage School Board, said the 150-student limit is a serious challenge. Two Anchorage charter schools have closed and dropping below that limit was the most significant factor for both. Startup is also difficult because people don't want to sign up until they see it is successful and it can't be successful without reaching the 150-student mark. So, adding flexibility at the beginning of a new charter would be a big help. In Anchorage getting facilities has been the largest problem facing charter schools. Rented facilities have to meet the same educational building codes that other schools do for things like sprinklers and fire exists. Landlords hesitate to do that kind of remodeling for a school until they see it's going to be successful.

CHAIR STEVENS asked him to review the board's relationship with charter schools.

[2:51:33 PM](#)

MR. FRIEDMAN said the board reviews the initial charter school applications; they have a work session with those trying to start a school and then have a formal board hearing in which the application is approved or rejected. Sometimes the charter school works with the association for a few years to prepare an application. The board reviews their charter financially and academically every year.

CHAIR STEVENS asked if he had an opportunity to target certain groups would he create opportunities for smaller schools - like a language academy or a music school.

MR. FRIEDMAN replied that Anchorage has a German immersion school and they wouldn't want those to be smaller. He saw a role for targeting at-risk high school students who might need a smaller school. But for the most part, neither the department nor school boards would allow broadly opening a huge number of small schools just to be small, because for one thing, it wouldn't be fiscally responsible.

[2:54:12 PM](#)

SENATOR DAVIS asked if starting a charter school requires having at least 150 students.

MR. FRIEDMAN replied that number is not a technical requirement, but as a practical matter, the funding level is so different, that he didn't think any school could start below that.

SENATOR OLSON said a 23rd charter school is coming on line in the next year and asked if it has more than 150 students.

MR. FRIEDMAN answered that he thought it would have over 150 students.

[2:55:39 PM](#)

KIKI ABRAHAMSON, Fireweed Academy, Homer, said the charter school movement came out of "No School Left Behind" and can document successes nationally as well as statewide. It is a good way to provide choice and promotes innovation in education and keeps public education money in the public schools.

On the flip side, charter schools have to meet achievements, follow all the district, state and federal policies, laws and regulations without any facility provisions and, in the case of small charter schools, with inequitable funding. She thought that ethical and legal issues must be brought into the conversation at this point. If they follow all these laws and take part in the same tests and hold teachers accountable to same standards, are the charter schools really public schools? How does it make sense that they are not provided equal access to facilities along with equal funding?

MS. ABRAHAMSON said she was confused about how charter schools funding provisions read. They say all charter schools will be funded in the same manner as other schools, but then they are not. The law needs to reflect the intent of legislators. She said she appreciated all the work they are doing on this issue, but charter schools have been getting the short end of the stick.

[3:00:42 PM](#)

CHAIR STEVENS said he has asked the department for suggestions. One of them was state aide for Fireweed Academy would go from the current \$538,000 to \$631,000.

MS. ABRAHAMSON responded that she would support that.

CHAIR STEVENS said it looks like it would raise it to the 1.08 level.

MS. ABRAHAMSON said she would be in favor of that, but it still isn't equitable.

[3:02:39 PM](#)

ANNMARIE KEEP-BARNES, President, Academic Policy Committee, Star of the North Secondary School, Fairbanks, said that her school has 7-12 graders. It is chartered to intervene for students who are in danger of academic failure or not achieving their high school diploma and has 200 students. It is doing really well and has a good relationship with their school district. They get the additional funding, but in her case almost all of the additional funding goes into facilities. They provide public transportation for her students where needed between their two campuses.

She said her life's work is working with students who are in academic danger and may be disengaged for whatever reason. Every community has a percentage of young people who are not going to fit into the traditional school model and the smaller populations won't be able to pull the 150 students.

[3:07:15 PM](#)

She said each of her district's three charter schools contain about 1 percent of the school district's population.

CHAIR STEVENS asked how her school got started.

MS. BARNES replied that she helped start Chinook Charter School and had thoughts about what she would do differently if she would open another one. She took over an existing alternative program in North Pole for a couple of years and when that was in danger of closing, she closed it and opened it up again as a charter school. It was inspired by the needs that the teachers saw.

[3:09:36 PM](#)

SENATOR OLSON asked what she is doing for these students and what her success rate is.

MS. BARNES replied her 200-student school has four distinct programs. One is a 7-8 grade program with 40 students. They are really beating the bushes in North Pole to let people know the school wants to intervene for kids. That program is a close knit, family centered middle school that teaches to their

spirits as well as their minds. Their ninth-grade intervention program goal was to take 20 students and make sure they ended the year with all six credits and that has been very successful. This program was started because predictably students who are failing their ninth grade year will fail in high school. So they give them a solid ninth grade year based on their interests, gifts and talents. Both of their campuses have a 10-12 grade program and graduate about 70 students per year - kids who would not have earned high school diplomas without them.

[3:12:23 PM](#)

DANA HANDELIN, Academic Policy Committee (APC), Anvil City Science Academy, Nome, agreed with the previous comments. Her contract with the school limits their enrollment to 44 students based on the physical space the district can provide. An average of 11 students is usually on the waiting list, which is troubling, because their limited number of students also limits the funding.

CHAIR STEVENS asked if she is working with a target group.

MS. HANDELIN replied yes; their program is 5-8 grade and focuses on science and technology.

CHAIR STEVENS asked if they provide transportation.

[3:14:59 PM](#)

MS. HANDELIN replied that the school district provides transportation.

CHAIR STEVENS asked how long she has been in this position.

MS. HANDELIN answered that she had been on the APC Board for four years and has two children in the program; one is attending Mt. Edgecumbe as a ninth grader.

[3:15:49 PM](#)

DAVE JONES, Assistant Superintendent, Kenai Peninsula Borough School District (KPSD), said his district has four charter schools and he supports them because they provide alternative choices for students. They have all been successful academically. Three of them are above the 150 student level, but Fireweed Elementary in Homer is not.

He said basically the statute requires inequitable funding. A possible solution to the small school problem is to put a historical component into the requirements that says schools

smaller than 150 students could be counted as a separate school. This would not address the startup concerns. He said the KPSD offers transportation to the charter schools; they can either opt in or opt out of riding the same buses used for the other schools. If they opt in, they have to share in the cost; they also share any deficit at the end of the year.

[3:19:08 PM](#)

SENATOR HUGGINS said he thought charter schools were grouped with district students and therefore the funding would be the same.

MR. JONES replied that the charter school statutes say any schools under 150 students are put into the size factor chart with the largest school in the district. In his district that is Soldotna High School; so it is funded at that size. West Homer Elementary students are at different levels.

CHAIR STEVENS said the department prepared two options for school financing. One option is to increase state aide for schools to 1.08, which the statute would apply to schools with 150-250 students. Another option is to increase it to 1.27, which would apply to schools of 75-150 students.

CATHERINE REARDON, staff to Senator Joe Thomas, said she also has two children in the JCCS and has served on its Academic Policy Committee. She said the APCs are the governing board of the schools and it is elected by the parents.

[3:23:04 PM](#)

She said that Alaska's charter school law has some strengths that other state don't necessarily share like requiring that the charter schools be part of their local school district and get their approval. It does mean that the education that all the kids get is unified at that level. It also means that the charter school teachers and other employees are school district employees. They have the same collective bargaining contracts and government is doing the bookkeeping.

The reason Senator Thomas introduced a bill that put funding at the 1.27 level is because the Effie Kokrine Charter School in his district dropped below 150 students last year and lost several thousand dollars. That was a problem not only for the school that suddenly had to reduce its program and didn't know until the October count that it was 10 students under, but also for the district that is left holding the bag financially.

MS. REARDON said it comes down to "the cliff" she referred to in a chart that she made on school size. Senator Thomas' idea in using 1.27 was that the regular school-size factor would be used above 150 students, but below 150 you wouldn't get into the situation where you have a 10-kid school and get basically almost four kids worth of money for each kid. If you went to a level that was reasonable for the state to fund, that the state is now funding, that would mean that the cliff wouldn't be so steep and you would have equitable funding and perhaps not excessive funding.

CHAIR STEVENS asked where the bill is.

MS. REARDON replied that it is in the Senate Finance Committee where it hasn't had a hearing. She explained that the 1.27 level is about the amount per kid that is being provided now for schools of at least 250 students. The way she got to that figure is by looking at the base amount in the school size factor and the multiplier and took into account the fact that there is a large base amount being provided for bigger schools.

CHAIR STEVENS said he wanted to get the bill referred to this committee so they could look at it.

[3:28:58 PM](#)

MS. REARDON summarized that the goal should be not to fund charter schools at a higher level than other schools, but to decide what level the legislature is willing to fund schools and apply that principle to charter schools, as well - and not penalize districts for having charter schools by lowering the amount of state funding that is provided when they have them.

[3:29:52 PM](#)

SENATOR HUGGINS said it is very difficult to compare charter school funding with the funding for a school of 250 because that is not what actually goes to the school. Charter schools have to pay for overhead, too. That is the difference for the most part. The amount per student can't be calculated based on the formula.

MS. REARDON responded that in Juneau, overhead is at 6.9 percent.

[3:31:05 PM](#)

BONNIE JASON, teacher at Homer Middle School, said she has had a child at both the Fireweed Academy and the Middle School and had a slightly different perspective to offer. She said Fireweed Academy is competing for space with the neighborhood schools. If

it grows to the 150-number in the next few years as they are being forced to do, those students would have to come at the expense of the other neighborhood schools. Homer Middle School would stand to lose 30 or more students out of their fewer than 200 projected students. That would be more than one full staff position and the negative impact on their program which is already bare bones "would be monstrous."

[3:32:45 PM](#)

CHAIR STEVENS said he appreciated her courage in coming forward with that. He asked how she felt about changing the funding of the smaller schools.

MS. JASON replied that she would be very supportive; she is a huge proponent of their program even though she has watched it deteriorate over the past few years.

CHAIR STEVENS thanked her for her comments. There being no further business to come before the committee, he adjourned the meeting at [3:34:05 PM](#).