

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

April 1, 2009

8:00 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Cathy Engstrom Munoz, Vice Chair
Representative Bryce Edgmon
Representative Wes Keller
Representative Peggy Wilson
Representative Robert L. "Bob" Buch
Representative Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING(S)

Professional Teaching Practices Commission

Linda Lee Gilliam Black - Anchorage
Louis Pondolfino - Anchorage

- CONFIRMATION(S) ADVANCED

HOUSE BILL NO. 197

"An Act establishing minimum standards for open enrollment virtual charter schools; and relating to student count estimates and facilities constituting a school."

- HEARD AND HELD

HOUSE BILL NO. 204

"An Act increasing the number of students pursuing a medical education who are provided postsecondary educational services and programs; and providing for an effective date."

- HEARD AND HELD

CONFIRMATION HEARING(S)

Board of Education

Carol Schaeffer - Kotzebue

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 197

SHORT TITLE: VIRTUAL CHARTER SCHOOLS

SPONSOR(S): REPRESENTATIVE(S) KELLER

03/23/09 (H) READ THE FIRST TIME - REFERRALS
03/23/09 (H) EDC, FIN
04/01/09 (H) EDC AT 8:00 AM CAPITOL 106

BILL: HB 204

SHORT TITLE: POSTSECONDARY MEDICAL EDUC. PROG.

SPONSOR(S): REPRESENTATIVE(S) DAHLSTROM

03/23/09 (H) READ THE FIRST TIME - REFERRALS
03/23/09 (H) EDC, FIN
03/30/09 (H) EDC AT 8:00 AM CAPITOL 106
03/30/09 (H) Heard & Held
03/30/09 (H) MINUTE(EDC)
04/01/09 (H) EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

LINDA LEE GILLAM BLACK, Appointee
Professional Teaching Practices Commission (PTCP)
Anchorage, Alaska

POSITION STATEMENT: As appointee to the Professional Teaching Practices Commission (PTPC), provided background and answered questions.

LOUIS PONDOLFINO, Appointee
Professional Teaching Practices Commission (PTPC)
Anchorage, Alaska

POSITION STATEMENT: As appointee to the Professional Teaching Practices Commission (PTPC), provided background and answered questions.

JIM POUND, Staff
Representative Wes Keller
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During hearing on HB 197, answered questions on behalf of the prime sponsor, Representative Keller.

EDDY JEANS, Director

School Finance
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: Provided testimony on HB 197.

NARDA BUTLER, Chair
Academic Policy Committee
Frontier Charter School
Anchorage, Alaska

POSITION STATEMENT: Expressed concerns with HB 197.

TIM SCOTT, Principal
Frontier Charter School
Anchorage, Alaska

POSITION STATEMENT: Expressed concerns with HB 197.

ALLISON POWELL
International Association for K-12 Online Learning (iNACOL)

POSITION STATEMENT: During the hearing of HB 197, offered information about iNACOL.

KIKI ABRAHAMSON, President
Alaska Charter Schools Association (ACSA);
Fireweed Academy
Homer, Alaska

POSITION STATEMENT: During the hearing on HB 197, reminded the committee of the equity issues related to funding that already exist in Alaska's existing schools.

SAM DIX, Staff
Representative Nancy Dahlstrom
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented CSHB 204, Version R, on behalf of the prime sponsor, Representative Dahlstrom.

ALICE RARIG, Planner IV
Department of Health and Social Services (HSS)
Juneau, Alaska

POSITION STATEMENT: Responded to questions on HB 204.

REPRESENTATIVE NANCY DAHLSTROM
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the prime sponsor of HB 204.

ACTION NARRATIVE

8:00:57 AM

CHAIR PAUL SEATON called the House Education Standing Committee meeting to order at 8:00 a.m. Representatives Seaton, Wilson, Edgmon, Gardner, Buch, and Keller were present at the call to order. Representative Munoz arrived as the meeting was in progress.

CONFIRMATION HEARING(S)
Professional Teaching Practices Commission

8:01:39 AM

CHAIR SEATON announced that the first order of business would be the confirmation hearing for the appointees to the Professional Teaching Practices Commission.

8:02:22 AM

LINDA LEE GILLAM BLACK, Appointee, Professional Teaching Practices Commission, informed the committee that she retired after 30 years with the Anchorage School District and has been teaching at the Alaska Pacific University for the past five years. Ms. Black noted that she has served on the PTPC for three years and this would be a reappointment. In response to Representative Gardner, Ms. Black related that she was born in Fairbanks.

8:03:48 AM

REPRESENTATIVE WILSON inquired as to why Ms. Black is interested in serving on the PTPC.

MS. BLACK responded that the PTPC plays an important role with regard to the ethics of the profession, including when a breach of ethics has occurred. She opined that the aforementioned is very critical in terms of teacher preparation.

8:04:50 AM

CHAIR SEATON asked if the PTPC has a role in promoting that education be presented to students in a relevant way in order to address the drop-out rate.

MS. BLACK responded that PTPC's primary focus is on professional ethics, although she opined that everyone has a role to play

with regard to making education relevant to youth in order to avoid dropouts. She characterized making education relevant to youth as a more general professional obligation rather than specific to PTPC.

CHAIR SEATON expressed his hope that the PTPC would promote the general professional standards that would [make education relevant to Alaska's youth]. He noted that the committee has been trying to address [making education relevant to Alaska's youth].

8:07:21 AM

LOUIS PONDOLFINO, Appointee, Professional Teaching Practices Commission (PTPC), informed the committee that he is currently the Service High School principal and has been for the last five years. Prior to his existing position, he was the assistant principal at East High School for three years and prior to that a middle and high school teacher in the Anchorage School District for ten years. Mr. Pondolfino related that he is interested in serving on the PTPC because he wants to have a positive influence on the teaching profession and represent Alaskans on matters that concern the teaching profession.

8:08:53 AM

REPRESENTATIVE WILSON related her observation that classrooms have an antiquated appearance. Furthermore, it seems that children are being taught much the same way that they have been for many years, she opined. Therefore, she inquired as to whether Mr. Pondolfino believes some changes are necessary or not.

MR. PONDOLFINO opined that there are many things that work well and always have worked well. Interestingly, he related that often those in the teaching profession have faced the criticism that teachers don't teach like they once did and are asked why. He said that teachers have to be progressive in their thinking as they are preparing students for jobs that aren't even created yet. At Service High School things do appear quite different than when he was in school 30 years ago, particularly in the area of technology. In terms of programs, the focus is on relevance and trying to keep students engaged by showing them what they do at school is relevant to life after graduation. Every student at Service High School fills out post-graduation plans each fall and teachers address them in the spring. Mr. Pondolfino pointed out that although what's on the post-

graduation plan isn't so important since it may change, the fact that there is a plan is important. Also, an effort is being made to bring back career and technical education, which was lost when funds were diverted to technology and computers in the 1980s. The monumental task before educators is to figure out the job market in the next generation.

[8:12:18 AM](#)

REPRESENTATIVE WILSON said she was impressed, and expressed interest in all high schools taking on efforts similar to those at Service High School.

REPRESENTATIVE GARDNER recalled that her children attended East High School when Mr. Pondolfino was there. She also recalled that her family, the East High School staff, and the East High School student body had a good opinion of Mr. Pondolfino.

[8:13:30 AM](#)

REPRESENTATIVE KELLER moved to advance the names of Linda Lee Gilliam Black and Louis Pondolfino for confirmation to the Professional Teaching Practices Commission to the full legislature for consideration. There being no objection, it was so ordered.

HB 197-VIRTUAL CHARTER SCHOOLS

[8:13:57 AM](#)

CHAIR SEATON announced that the next order of business would be HOUSE BILL NO. 197, "An Act establishing minimum standards for open enrollment virtual charter schools; and relating to student count estimates and facilities constituting a school."

[8:15:17 AM](#)

REPRESENTATIVE KELLER, speaking as the prime sponsor of HB 197, highlighted that Alaska has a challenge since 37 percent of the state's schools have less than 100 students and are located in rural remote settings. However, the solution of education technology has been available for a number of years now, as related in the 2006 Legislative Resolve 43. Legislative Resolve 43 served as the backdrop for HB 197. Technology, he opined, mitigates the impact of distance and time. In fact, in the Lower 48 there's a 47 percent increase in the use of on-line courses by educators across the nation since 2006.

Representative Keller explained that the idea with HB 197 is to create open enrollment virtual charter schools with standards that raise the bar a bit, particularly for those in rural areas. He stated that HB 197 won't change anything; it merely establishes a standard for these virtual charter schools. He noted that he has asked the Department of Education and Early Development (EED) to help with the language in the last section of HB 197, to which EED agreed. The legislation, which he characterized as fairly simple, assures that there is open enrollment for charter schools with on-line access to courses, records, and individual learning plans. The school boards will be consulted regarding how best to form these individual learning plans, monitoring the process of the students, and the assessment process. He characterized it as a charter contract. Representative Keller expressed interest in the committee helping him to refine the standards for virtual charter schools. He then pointed out that there will be a conceptual amendment necessary to address the portion of the legislation regarding when student counts are performed due to the open enrollment of these charter schools.

[8:19:38 AM](#)

REPRESENTATIVE KELLER, in response to Representative Wilson, explained that typically most schools aren't open year round for enrollment. Therefore, students may enroll at certain times of the year when they wouldn't be counted in that schools student count. In such cases, the enrolling school doesn't receive funding for the student who enrolled after open enrollment.

REPRESENTATIVE WILSON opined that such happens in all schools. She related that she knows of a school that received three intensive needs students after the student count, and thus the school never received funding for those students.

REPRESENTATIVE KELLER requested that discussion on that matter be held once the conceptual amendment is offered.

[8:21:13 AM](#)

REPRESENTATIVE KELLER, completing his presentation of HB 197, explained that the next to the last section of the legislation specifies that part-time students in an open enrollment charter school will not be counted in the districts average daily membership (ADM). The very last section of HB 197 could be deleted, he noted, and the legislation would still be very valuable. He opined that a virtual open enrollment charter

school likely won't have as much difficulty reaching a minimum size as would a smaller district. Representative Keller explained that since standards for the open enrollment virtual charter schools are going to be set higher than [existing schools], perhaps then any school meeting these higher standards could qualify with a smaller [ADM]. However, penning the language to that effect became difficult, which is why he asked EED for help.

[8:23:01 AM](#)

REPRESENTATIVE MUNOZ surmised then that one goal of HB 197 is to allow existing schools to increase enrollment by providing on-line services outside of the district.

REPRESENTATIVE KELLER clarified that is the intent of the first section of HB 197, while the last section is to include any charter or alternative school that would choose to meet the standards of the open enrollment charter school.

[8:23:37 AM](#)

REPRESENTATIVE MUNOZ further surmised that HB 197 would allow existing schools to provide their curriculum statewide as well as new virtual charter schools.

REPRESENTATIVE KELLER further clarified that the legislation would allow a district that forms an open enrollment virtual charter school to offer those courses across the state, not just any school.

[8:24:20 AM](#)

REPRESENTATIVE MUNOZ asked then whether existing schools would be able to offer their existing curriculum on-line in a virtual charter school.

REPRESENTATIVE KELLER answered that there is no restriction on that.

[8:24:42 AM](#)

JIM POUND, Staff, Representative Wes Keller, Alaska State Legislature, specified that essentially existing charter schools would be able to expand into the virtual capability by meeting the standards set out in HB 197.

[8:25:14 AM](#)

REPRESENTATIVE BUCH remarked that he believes the state is on the cusp of some revelations, with [virtual education] being one of them. He thanked the sponsor for his efforts. He then directed attention to the sectional analysis for Section 1, which specifies that the open enrollment virtual charter school will exceed the minimum high school graduation requirements through direct engagement with the student and the student's parent to establish a learning plan. He inquired as to where in the legislation it requires some sort of contact.

REPRESENTATIVE KELLER explained that in order to be an open enrollment charter school, there has to be a plan or charter with the school board. What the plan or charter has to include is specified on page 2, lines 10-14, including: "if possible, the student's parents, in the development of the student's individualized learning plan".

[8:27:31 AM](#)

REPRESENTATIVE BUCH acknowledged that language, but opined that it isn't direct contact, which he interpreted to mean face-to-face or ear-to-ear. He further acknowledged that the idea is to be in a virtual environment. However, he expressed his desire for there to be assessment capabilities whereby there is a means to assess the ongoing contact required.

REPRESENTATIVE KELLER stated that the intent is to try to avoid micromanaging at the statutory level. The legislation is written as it is because it's problematic to define what the meeting consists of. The intent of the language, he specified, is to charge the district with making a plan. He conceded that perhaps it would be appropriate to include the term "direct" in reference to the contact language.

[8:29:24 AM](#)

REPRESENTATIVE WILSON related her understanding that one of the core principles of charter schools is parental involvement. If the aforementioned is going to be changed, she expressed concern that a parent who doesn't have time to be involved with his/her children would decide to enroll his/her children in this type of distance learning program. She expressed interest in maintaining the core principles for charter schools.

REPRESENTATIVE KELLER said that isn't the intent. An open enrollment virtual charter school is organized under the existing charter school law, which includes an advisory panel of parents that run the school. The aforementioned will remain. This proposed legislation specifies that in order to qualify as an open enrollment virtual charter school, the plan has to include working with the student and his/her parents in order to have a plan for graduation and post-graduation. This legislation merely adds to what a charter school already is and doesn't take anything away.

[8:31:42 AM](#)

REPRESENTATIVE GARDNER asked if it's possible for a group of parents to form a school such as proposed in HB 197 and ask for approval under existing charter school regulations.

REPRESENTATIVE KELLER answered absolutely. In further response to Representative Gardner, Representative Keller explained that HB 197 encourages the standards to be raised. He highlighted the fact that under HB 197 open enrollment would occur year round, which he characterized as an improvement.

[8:32:33 AM](#)

REPRESENTATIVE GARDNER surmised then that already parents could come together to form a charter school and could decide that it's going to be a year round, virtual school. She related that she's confused as to why this legislation is necessary.

REPRESENTATIVE KELLER reiterated that 37 percent of the state's schools are quite small and remote. There are parents in some districts that have a vision that goes beyond their district and rural school. Therefore, this legislation would establish a parameter that would require a charter school that reaches across the state to meet the standards set out in HB 197. He echoed his earlier desire to raise the bar and set high standards. He reminded the committee that in the last two-three years alone there has been a 47 percent increase in the number of on-line courses students are taking. Therefore, the intent of HB 197 is to catch the wave of on-line courses and set high standards.

[8:35:04 AM](#)

REPRESENTATIVE MUNOZ recalled that there's an on-line statewide charter school operated out of Galena. Therefore, she, too,

questioned how HB 197 changes what's allowed under the current law. Additionally, Representative Munoz recalled that existing law has a cap that only allows 60 charter schools statewide. She suggested that it would be helpful to have an idea of the number of charter schools being contemplated under HB 197. She then questioned whether the sponsor contemplated a minimum enrollment.

REPRESENTATIVE KELLER clarified that the Galena School is a correspondence program. This legislation proposes an open enrollment virtual charter school that's not a correspondence program. He pointed out that charter schools are the only type of school that's well-defined in statute. This legislation doesn't propose a home school support program, like the one in Galena. Representative Keller said that he is comfortable with the existing cap on the number of charter schools statewide. With regard to the minimum number of students to constitute a school, he opined that it's less of a problem for virtual schools because the potential student base is much wider. The last section of HB 197 includes the cap in order to benefit the existing charter schools and alternative schools because it's not really necessary for the open enrollment charter schools.

[8:38:45 AM](#)

REPRESENTATIVE BUCH inquired as to the availability of resources to support the necessary technology for these virtual charter schools.

REPRESENTATIVE KELLER pointed out that there are different ways that technology can be utilized. For example, there could be a situation in which a teacher is giving a lesson to students who are on-line. The aforementioned would require a lot of bandwidth. "We are not set up to do that across the state," he acknowledged. However, all schools have Internet connections and course downloads could be performed at night. According to the 2000 census, 70 percent of Alaskans are already on-line. He noted that the Yukon Kuskokwim Delta area schools have a microwave system between schools, and therefore they could do really exotic schools.

REPRESENTATIVE BUCH commented that he found it interesting since the Yukon Kuskokwim Delta area schools have the worst reputation in the state. He then commented that perhaps HB 197 may be the answer.

[8:40:40 AM](#)

REPRESENTATIVE WILSON characterized what's proposed in HB 197 as essentially a virtual correspondence school. She asked if this proposed open enrollment charter school has to follow the same rules as correspondence schools.

REPRESENTATIVE KELLER answered that any number of technological approaches could be used, such as e-mail. Virtual means that technology is used as the vehicle for the student's learning plan. He stated that a virtual school won't be restricted by the rules that apply to a correspondence school program. The legislation proposes a charter school and those are the regulations and rules under which it will operate. In further response to Representative Wilson, Representative Keller clarified that this legislation is for full-time students, not part-time students. He said he would expect a student to enroll in a virtual charter school, create a graduation plan and meet the postsecondary training requirements, and follow through with the specified class courses.

REPRESENTATIVE WILSON remarked that she understood that to be what correspondence schools do. Therefore, she questioned how what this legislation proposes is different from correspondence schools. She then asked about Section 3 and whether it's at the point at which it should even be discussed.

REPRESENTATIVE KELLER confirmed that Section 3 is not complete. He related that although he has a conceptual amendment to fix Section 3, he recommended waiting to hear EED's comments on Section 3 as well as Section 1.

[8:45:21 AM](#)

MR. POUND, in response to earlier comments and questions, said that the difference between the proposed virtual charter schools and the existing virtual correspondence schools are that they are specialized. He informed the committee that the Native Culture Charter School in Anchorage spent several months attempting to obtain enough students to make the school viable. The proposed virtual charter school would provide an opportunity for the Native Culture Charter School to reach out to the rural areas and become viable. This legislation also provides an opportunity for the Wrangell school system to use this proposed model and avoid the ADM problems it has faced in the past. Furthermore, schools such as those in Tenakee Springs, which is advertising for students, could utilize this proposed virtual program to satisfy ADM requirements. Those are communities that

aren't even that rural, he stressed. However, there are communities in northern Alaska where there might be only three students at a school, and those students don't have the opportunity for a quality education. What's proposed in HB 197 will provide the aforementioned students the opportunity to receive a quality education based on the specified graduation standards.

[8:47:35 AM](#)

CHAIR SEATON suggested that it's much more likely that a virtual charter school will be formed in Juneau or Anchorage rather than Tenakee Springs, and thus the ADM of other schools will decrease and perhaps even to the point of having to close the physical school.

MR. POUND noted his agreement, but pointed out that the school buildings likely won't close because they often also function as the community centers. He then suggested that even under the charter school system there will likely be a requirement for some sort of educator to remain in the village in order to maintain some kind of education level.

[8:48:38 AM](#)

CHAIR SEATON related his understanding that in Hope the school, which is owned by the school district, will close if the ADM drops below 10 for two years in a row. He reiterated his concern that this proposal may close the main functioning part of many small Alaskan communities.

MR. POUND said that he isn't familiar with the situation in Hope, but is familiar with northern Alaska where most of the schools are community centers.

[8:50:06 AM](#)

CHAIR SEATON posed a scenario in which the school is operated by a single site school district and the ADM falls below 10 students. In such a scenario no funding will come from the state to that school district. Therefore, he questioned what will allow that school building to remain open without any state funding coming to the school district. He expressed the need to consider the aforementioned since the legislation has been presented as a way in which to keep schools open.

MR. POUND acknowledged that the [legislation could result in school closures, but opined that it could also keep schools open]. For example, Galena and Nenana are two of the largest operating correspondence schools in the state.

[8:51:17 AM](#)

MR. POUND, returning to earlier questions and comments, said that from the perspective of the individual the technology is capable [of fulfilling the needs of this proposal]. With regard to the broadband capability that the companies advertise, it may be a challenge to prove that they have the high speed technology necessary. He related that his first exposure to virtual classrooms was at the University of Alaska Southeast back in the 1990s. He imagined that the technology has advanced much since that time. Furthermore, students today are very sophisticated with technology and computers have the potential to be an education enabler.

[8:53:18 AM](#)

REPRESENTATIVE EDGMON directed attention to the language in Section 2 of HB 197 and asked if the terms "part-time" and "enrolled" are clearly defined. He asked if a student taking one virtual course would result in the student being enrolled in the virtual school.

REPRESENTATIVE KELLER said that he would make note of that question to which he would respond later.

[8:54:32 AM](#)

REPRESENTATIVE BUCH asked if a demonstration of equipment that might be used in the virtual classroom, such as smart boards, would be brought before the committee.

[8:55:35 AM](#)

CHAIR SEATON related his understanding that HB 197 doesn't apply to a correspondence school, per the language on page 1, line 6. However, he questioned whether that's the case if a correspondence school developed an "individualized learning plan" for each student as outlined on page 2, lines 3-6. Therefore, he surmised, "Wouldn't that fit the exact bill and wouldn't correspondence schools for the funding difference from .8 to this funding all just convert over to being virtual charter schools?"

REPRESENTATIVE KELLER related his belief that there is the possibility that a correspondence school could reorganize to become a charter school, and therefore could obtain more funding. However, he reminded the committee that a correspondence school is defined in regulation and relates to the minimum number of face-to-face hours with the teacher and thus would impact the aforementioned possibility. He noted that the aforementioned wasn't the intent of HB 197.

[8:57:18 AM](#)

REPRESENTATIVE KELLER pledged to work further on HB 197.

[8:57:46 AM](#)

EDDY JEANS, Director, School Finance, Department of Education and Early Development (EED), explained that under the current structure for funding schools in Alaska, there are brick-and-mortar schools and correspondence programs. He related his understanding that the sponsor is attempting to create a virtual charter school with higher standards than those for the existing correspondence programs. The current standards for correspondence programs are established in regulation. The higher standards for the proposed virtual charter school include the individual learning plan and twice monthly contact with the family. Furthermore, correspondence programs allow part-time enrollment whereas the sponsor has said that the proposed program would not include a part-time component. As mentioned earlier, the sponsor and the commissioner of EED are to meet tomorrow to flesh this idea out more. He pointed out that the department submitted a fiscal note to the original legislation, although he acknowledged that it's not appropriate for the legislation. Therefore, there will be a revised fiscal note once the details are determined.

[8:59:49 AM](#)

CHAIR SEATON requested that the department compare the two existing types of funding structures for schools as well as the proposed virtual charter school. He also requested review of the implications and results of changing from one type of school to another.

MR. JEANS agreed to do so.

[9:01:05 AM](#)

REPRESENTATIVE GARDNER noted that the committee packet includes the 2006 Legislative Resolve No. 43, which directs school boards and administrators to apply for grants available under AS 14.14.115. The aforementioned statute addresses educational technology. She asked if districts have been applying for grants under the aforementioned statute and whether there are adequate funds available.

MR. JEANS said he would be happy to gather that information.

9:01:53 AM

CHAIR SEATON requested that Mr. Jeans also review for the committee the issues of correspondence schools developed with a statewide mission, which then drew membership from various districts in the state by offering things such as free computers. The aforementioned resulted in problems with ADM in other districts. He recalled that changes were made that required correspondence schools to draw upon the membership within the district that they are located. He inquired as to whether similar difficulties could result from HB 197.

9:03:12 AM

REPRESENTATIVE MUNOZ requested that Mr. Jeans provide information to the committee regarding the charter school funding disparity in which schools are counted with the largest school in the district. She questioned whether HB 197 could address the aforementioned problem.

MR. JEANS agreed to do so.

9:04:32 AM

CHAIR SEATON noted that this is the first discussion of HB 197, and then opened public testimony.

9:04:48 AM

NARDA BUTLER, Chair, Academic Policy Committee, Frontier Charter School, informed the committee that she has been involved with both the charter school and correspondence school programs for about nine years. She noted that she is also a certified science teacher and teaches mid-distance education in which she provides most of the curriculum and homework assignments on-line. She further noted that her children are educated at home

and through part-time enrollment at a local brick-and-mortar school as well as via some virtual instruction. Ms. Butler applauded Representative Keller's efforts to provide greater options and introduce technology at a greater level. However, she expressed concern that existing charter school law doesn't allow out-of-district students. Furthermore, Ms. Butler opined that the proposed virtual school in HB 197 seems to fit under the definitions of a correspondence school, which don't have lower limits for face-to-face interaction with teachers. Ms. Butler related her belief that the objective sought by the sponsor could be accomplished by allowing districts to contract with vendors for virtual classes. To be sure the standards are met it can be made clear that districts allowing virtual classes meet the state's standards. She also expressed concern that this legislation may allow or perhaps encourage correspondence schools to reopen as charter schools, and therefore wouldn't fall within the 80 percent funding the state offers brick-and-mortar schools. Districts, she opined, need to maintain local control of their educational systems through the use of virtual vendors. Furthermore, caution must be taken with regard to opening unintentional doors while trying to achieve a good objective.

[9:07:57 AM](#)

REPRESENTATIVE GARDNER surmised then that Ms. Butler is saying that if correspondence schools are allowed to reorganize charter schools and accept out-of-district students, then these newly formed charter schools would simply access more funding.

MS. BUTLER replied yes. In further response to Representative Gardner, Ms. Butler confirmed that vendors of [various curriculums] are a whole industry. Any vendor, in- or out-of-state, must meet state standards to ensure the district that the students are striving to meet established standards. She informed the committee that her daughter attends a school in Washington, D.C., that enrolls students worldwide.

[9:10:12 AM](#)

CHAIR SEATON said that the committee would review whether the legislation should be modified to address the fact that charter schools can't accept out-of-district students.

[9:10:45 AM](#)

TIM SCOTT, Principal, Frontier Charter School, expressed concern with the vagueness of some of the terms in the legislation. For example, the terms "open enrollment" and "virtual" may need to be clearly defined. He informed the committee that he was part of a group that brought a lawsuit against the Alaska Board of Education regarding the meaning of the term "correspondence." He related that he spent about three years of his life trying to help define the term "correspondence." In his opinion, this proposed virtual charter school would be a correspondence school. This legislation, he opined, would allow schools to reorganize for funding purposes. Furthermore, the law already allows for the existence of virtual schools within other schools. He then directed attention to AS 14.14.110, which is the cooperation between districts law. Mr. Scott said that he would only be in favor of what HB 197 proposes if the cooperation between districts law was invoked. Mr. Scott then opined that there hasn't been any resolution to the situation in which districts have raided other districts for students for money.

[9:13:55 AM](#)

MR. SCOTT, in response to Representative Gardner, confirmed his belief that there is an issue of districts raiding other districts for money. One of the largest incentives to enroll students into a statewide correspondence school is the ADM. He suggested that such schools don't necessarily return all the funds received back into the students. In fact, he charged that two years ago \$6.7 million was placed in the operating budget of a local school district rather than returned to the correspondence school students.

[9:14:39 AM](#)

REPRESENTATIVE KELLER said that there is another perspective. There is a danger of creating a monopoly where the revenue source is defined by the children in a district. If the aforementioned is protected, there's less pressure on raising the standards. Competition produces good results, as illustrated across the state with the correspondence programs. Representative Keller acknowledged the need to proceed slowly, but maintained that being able to enroll statewide doesn't necessarily make it bad.

[9:15:48 AM](#)

REPRESENTATIVE WILSON inquired as to how the terms "open enrollment" and "virtual" could be defined now.

MR. SCOTT responded that the term "open enrollment" is currently considered the timeframe in which students are enrolled throughout the year, not necessarily boundaries. He reiterated the need in HB 197 to clarify the term "open enrollment," which he interpreted to mean that boundaries can be crossed to enroll students into the proposed virtual charter school. With regard to the definition of "virtual charter school," Mr. Scott pointed out that although the state has defined "correspondence school," correspondence schools are hybrids. He opined that he would include an on-line synchronous course as a virtual school as that's typically to what the literature refers.

[9:18:27 AM](#)

CHAIR SEATON noted his agreement that the aforementioned terms will definitely need to be defined.

[9:19:16 AM](#)

ALLISON POWELL, International Association for K-12 Online Learning (iNACOL), informed the committee that iNACOL is a nonprofit organization that supports virtual schools, both supplemental and full-time online schools all over the world. The goal of iNACOL is to ensure that every student has access to the best education, regardless of the student's geographic location, income, or background. In response to Chair Seaton, Ms. Powell explained that the North American Council for Online Learning (NACOL) is the same organization as iNACOL; NACOL recently changed its name to reflect that the organization is dealing with more international clients. Therefore, the iNACOL paper in the committee packet is relevant to NACOL.

[9:20:34 AM](#)

REPRESENTATIVE WILSON inquired as to iNACOL's definition of "virtual."

MS. POWELL answered that iNACOL has several definitions of "virtual." Currently, there are various ways in which to setup a virtual school. There are cyber charter schools, which are online full-time programs in which the majority of the program is performed online with both asynchronous and synchronous [courses]. These cyber charter schools often require contact with the teacher, which is accomplished through synchronous

schools. She further explained that it's a situation in which students meet with the teacher online. During this meeting online, the teacher and student can do practically everything that's done in a typical face-to-face classroom. Currently, there are 173 cyber charter schools in the nation. Ms. Powell noted that there are other online programs that are supplemental in which a student can attend a face-to-face school and take one class online. The aforementioned can be done in both an asynchronous and synchronous manner.

9:22:21 AM

REPRESENTATIVE GARDNER inquired as to the membership of iNACOL.

MS. POWELL related that iNACOL has about 2,500 members which include virtual schools and programs to universities with teacher training programs. The membership also includes many nonprofit groups that are running virtual schools, researchers, online teachers and administrators, and corporations that provide the online content and technology. In further response to Representative Gardner, Ms. Powell specified that corporations are probably the smallest group of members. She explained that the organization receives funds from its members as well as from an annual conference. The organization receives about one third of its funding from each of the following sources: membership, the annual conference, and grants. She noted that the organization intends to seek some federal grants as well. In response to Chair Seaton, Ms. Powell informed the committee of iNACOL's web site, www.inacol.org.

9:24:18 AM

REPRESENTATIVE GARDNER inquired about the board of iNACOL.

MS. POWELL explained that the board is comprised of an individual who operates a state-led virtual school with supplementals, another individual who operates a district-run program, while another individual is a corporate member, a researcher, a representative from a full-time corporate cyber-charter school program, and a private consultant who works with education technology throughout the country. In response to Chair Seaton, Ms. Powell confirmed that iNACOL's membership and board membership is listed on the organization's web site. In further response to Representative Gardner, Ms. Powell specified that the statewide virtual school, the supplemental school, and the district run programs are publicly funded through the government.

[9:26:15 AM](#)

KIKI ABRAHAMSON, President, Alaska Charter Schools Association; Fireweed Academy, began by thanking the committee for providing the opportunity for in-depth discussion about providing alternatives for students in Alaska. She recalled that during the education summit held November 13-14, 2008, it was brought up multiple times that some of the most important things that can be addressed in education in Alaska is creating innovation and providing equity. Although she applauded the committee for the work it's doing, she reminded the committee that there are equity issues regarding funding for students in schools that already exist.

[9:27:31 AM](#)

CHAIR SEATON, upon determining no one else wished to testify, closed public testimony.

[9:27:52 AM](#)

REPRESENTATIVE WILSON asked if the funding for the virtual students is the same as that for the brick-and-mortar students. She noted that the funding for correspondence schools differs.

REPRESENTATIVE KELLER stated that the intent of HB 197 is to allow for the interaction between districts to cover both academics and supervision of the child. He noted that it allows for contracting between school districts. Districts would be encouraged to work together, but it has been left open and on the table.

[9:30:13 AM](#)

CHAIR SEATON suggested that the committee should review AS 14.14.110, which already allows participation between districts, and determine whether the existing statute is different than what's proposed in HB 197.

[9:30:41 AM](#)

REPRESENTATIVE WILSON requested clarification regarding whether part-time students will be allowed because although the sponsor has said that there won't be part-time students, Section 2 addresses part-time students.

[9:31:20 AM](#)

CHAIR SEATON suggested then that when this legislation is heard again, the sponsor can review what constitutes a full-time student in this proposed open enrollment virtual setting and whether there will be part-time students.

REPRESENTATIVE KELLER agreed to do so.

[9:32:12 AM](#)

REPRESENTATIVE EDGMON pointed out that there is over \$7 billion in federal stimulus funds for broadband and related infrastructure services. Therefore, he suggested that it would be enlightening to have some sort of discussion regarding the broadband capabilities and how that ties in with educational services in Alaska.

[9:32:50 AM](#)

CHAIR SEATON announced that today at noon, there will be various presentations and demonstrations regarding various aspects of technology in education in Alaska.

[9:33:51 AM](#)

REPRESENTATIVE GARDNER pointed out that students in Bethel could all have laptops, but they cannot necessarily access the Internet.

[9:34:22 AM](#)

REPRESENTATIVE KELLER related that the department will discuss the stimulus funds as they relate to HB 197.

CHAIR SEATON announced that HB 197 would be held over.
HB 204-POSTSECONDARY MEDICAL EDUC. PROG.

[9:34:41 AM](#)

CHAIR SEATON announced that the final order of business would be HOUSE BILL NO. 204, "An Act increasing the number of students pursuing a medical education who are provided postsecondary educational services and programs; and providing for an effective date."

[9:35:22 AM](#)

REPRESENTATIVE WILSON moved to adopt CSHB 204, Version 26-LS0778\R, Mischel, 3/31/09, as the working document.

CHAIR SEATON objected for discussion purposes.

[9:35:51 AM](#)

SAM DIX, Staff, Representative Nancy Dahlstrom, Alaska State Legislature, explained that Version R continues to increase the number of students pursuing a medical education to 24, although the language now specifies "24" not "up to and including 24". The legislation, Version R, now includes provisions that would allow student loan forgiveness to Alaska residents who participate in the Washington, Wyoming, Alaska, Montana, Idaho Medical Education Program (WWAMI), receive a medical education degree, and provide qualified practice in the state. The loan forgiveness is detailed in Section 2 of Version R. Section 3 of Version R states that those who received a degree from the WWAMI program must be a full-time employee or practitioner for at least six months in order to qualify for the loan forgiveness. He highlighted that Section 3 specifies that "full-time employee" doesn't include seasonal or temporary employment. Section 4 defines a "qualified practice" to be a facility where medical services are provided by a physician who received medical education under the WWAMI program, where a significant percentage of the patients of the practice are uninsured or covered under Medicare or other medical assistance, and is located in a medically underserved area of the state. Section 4 also specifies the definition of "rural". Section 5 relates that Department of Health and Social Services (DHSS) may establish standards for a qualified practice in regulation, including the definition of "medically underserved area" and "significant percent" in terms of patients that would qualify a practice for loan forgiveness. Section 6 is the effective date of July 1, 2010.

[9:40:37 AM](#)

REPRESENTATIVE GARDNER directed attention to Section 3, which specifies that in order to qualify for [loan] forgiveness, a person must be a full-time employee or practitioner for a period of at least six months. She asked, "Does it mean they have to be a doctor for six months before the clock starts ticking on their employment under which loans will be forgiven?"

MR. DIX answered that Section 3 means that they must be considered a full-time employee within the first year after graduating from the WWAMI program.

REPRESENTATIVE GARDNER surmised then an individual can't graduate from the WWAMI program, take a job elsewhere for a few years, and then return to Alaska to work and obtain loan forgiveness.

MR. DIX stated his agreement.

[9:42:13 AM](#)

CHAIR SEATON asked then whether a WWAMI graduate seeking loan forgiveness would have to return directly to Alaska or could they return to Alaska with an outstanding WWAMI loan.

MR. DIX clarified that if a WWAMI graduate practices or takes up employment outside of the medical practice, they will be considered under the five years employment, 20 percent loan forgiveness program.

[9:43:05 AM](#)

CHAIR SEATON related his understanding that Section 3 means that an individual who takes a job for one month can't receive loan forgiveness. However, the language doesn't specify that a WWAMI graduate who takes a job elsewhere and then returns to Alaska and is employed for six months can't receive loan forgiveness. He expressed the need to clarify this point.

MR. DIX deferred to departmental representatives.

[9:44:54 AM](#)

ALICE RARIG, Planner IV, Department of Health and Social Services, related her belief that Section 3 doesn't seem to imply that service couldn't be interrupted. Therefore, she suggested that the sponsor may need to provide clarification on this point. She opined that the clock for loan forgiveness would start once the individual begins full-time employment in a qualified practice and after six months could apply for forgiveness.

[9:45:59 AM](#)

REPRESENTATIVE NANCY DAHLSTROM, Alaska State Legislature, speaking as the sponsor of HB 204, related that the intent with HB 204 is to provide more efficient and better quality medical care for all Alaskans. She said she shared Ms. Rarig's understanding that there wouldn't be a break in the service. She offered to request an opinion from Legal and Research Services.

[9:47:01 AM](#)

CHAIR SEATON opined that the language seems straight forward in that this would require employment six months in order to qualify for loan forgiveness. However, Section 3 doesn't stipulate that a WWAMI graduate couldn't take a job in another state prior to working six months in Alaska and applying for loan forgiveness or return to Alaska and have a six-month delay prior to taking a job. The language simply says that a [WWAMI graduate] would have to be employed in Alaska for at least six months.

[9:47:49 AM](#)

REPRESENTATIVE GARDNER said that she has received adequate clarification on the language and pointed out that the only new language in Section 3 is the addition of "or practitioner".

[9:48:14 AM](#)

REPRESENTATIVE EDGMON asked if the language "or for services provided in a qualified practice in" and "or practice" on page 2, lines 13-16, is defined elsewhere or is supportive of a full-time employee.

CHAIR SEATON pointed out that page 3, subsection (i) provides the definition of "qualified practice".

[9:49:28 AM](#)

REPRESENTATIVE EDGMON then asked if there is a difference between a medically underserved area and a rural area.

MR. DIX answered that DHSS will define those terms.

MR. RARIG pointed out that the term "rural" is defined in the legislation on page 3, lines 11-13. The term "medically underserved area" is federal language with a specific meaning. However, "medically underserved area" has yet to be defined in

state statute. She noted that DHSS has developed criteria for the Denali Commission funding priority systems and proposed an Alaska-based definition of medically underserved area. The aforementioned definition has been submitted to the U.S. Department of Health and Human Services. She said that DHSS has no qualms with developing a definition for the term for this program. There are non rural areas that may be defined as medically underserved.

[9:52:02 AM](#)

CHAIR SEATON posed a scenario in which a portion of Anchorage has a lot of people who qualify for Medicare, but there aren't a lot of physicians who want to take Medicare patients. In such a situation, Anchorage could be defined as a medically underserved area because of the definition of "uninsured." He asked if the aforementioned would result in those in Anchorage receiving the same benefit as [those in rural Alaska], and thereby take away the incentive of the higher reimbursement rate for rural Alaska. Furthermore, does such a situation create a conundrum in which the higher reimbursement rate being given in rural Alaska to stimulate people to go to rural Alaska is given to those in an area with a significant number of Medicare patients.

MS. RARIG related her understanding that the regulations for the medically underserved area would only apply to the census designated level and Anchorage would be considered as a whole. An area that would likely fall under the definition of a medically underserved area would be Ketchikan, where there is difficulty for certain portions of the population gaining access to services, although the area wouldn't qualify under the rural definition due to the population being over 7,500. Ms. Rarig said that most qualifying practices would fall under the first designation in which the practice can demonstrate that the practice serves a significant portion of individuals who receive Medicare or Medicaid, or are uninsured.

[9:54:31 AM](#)

CHAIR SEATON surmised that under Section 4(i)(1)(A) Anchorage would qualify for the higher reimbursement if the [WWAMI graduate joins] a practice for which a significant portion of the patients are Medicare patients. He asked if that would be a correct assumption.

MS. RARIG answered that she believes that would be a correct assumption.

[9:55:33 AM](#)

CHAIR SEATON expressed concern with having a higher reimbursement rate for those living in the lowest cost of living areas in the state while possibly taking away the rural incentive.

MS. RARIG stated her understanding that there are a number of practices in Anchorage and other urban areas that are taking a disproportionate number of [Medicare, Medicaid, uninsured] patients. These practices feel that they're in an unfair situation in terms of reimbursement and threaten to be overwhelmed when other practices won't accept Medicare patients. She opined that this legislation is meant to provide a recruitment incentive for those practices to be able to hire more physicians and perhaps create a more balanced competition [in the urban areas].

REPRESENTATIVE DAHLSTROM stated that the intent is not to identify any particular population in the state, but rather to provide better medical service for all Alaskans. Furthermore, many rural residents come to Anchorage for medical services. She clarified that this legislation wouldn't qualify the Anchorage area as a whole, only those practices that treat the underserved populations.

[9:58:01 AM](#)

REPRESENTATIVE WILSON acknowledged the sponsor's view, and questioned whether the intent is to include Anchorage.

REPRESENTATIVE DAHLSTROM responded that the intent is to include Anchorage as well as the entire state.

[9:59:06 AM](#)

REPRESENTATIVE WILSON opined then that more of [the WWAMI graduates] will return to Anchorage to receive loan forgiveness.

REPRESENTATIVE DAHLSTROM offered that there are those who will consciously choose to teach in rural settings. She said that she didn't believe all [WWAMI graduates] will return to Anchorage.

[10:00:45 AM](#)

CHAIR SEATON directed attention to the language on page 2, line 8, which refers to "employment in the state in a medical residency program". The only medical residency program is offered in Anchorage. If there are a number of Medicare and uninsured patients served at the hospital [providing a medical residency program], would the language mean that any [WWAMI student] at such an institution would be reimbursed at the high rate, as if they were serving in rural Alaska.

MR. DIX said that the medical residency program would have to be considered by DHSS as serving a significant percentage of Medicare and uninsured patients.

[10:02:05 AM](#)

CHAIR SEATON expressed the need to answer the aforementioned and how it works into this legislation, although he said he wouldn't hold the legislation based on that matter. If the hospital at which a physician is serving has a high incidence of Medicare and/or uninsured patients, then this legislation seems to open the possibility of everyone in their residency program being reimbursed as if they're serving in rural Alaska. He opined that that's not the intent, and therefore he suggested that the sponsor work on that matter.

[10:03:00 AM](#)

REPRESENTATIVE BUCH expressed concern with the [lack of a] definition for the terms "medically underserved area" and "significant percentage" and the lack of a fiscal note.

[10:03:44 AM](#)

CHAIR SEATON stated that HB 204 would be held over. [The motion to adopt CSHB 204, Version 26-LS0778\R, Mischel, 3/31/09, was left pending per Chair Seaton's objection.]

[10:04:21 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 10:04 a.m.