

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

April 8, 2009
8:01 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

HOUSE BILL NO. 59

"An Act providing for the establishment of a statewide early childhood education plan and guidelines."

- MOVED HB 59 OUT OF COMMITTEE

CS FOR SENATE BILL NO. 57(FIN)

"An Act relating to charter and alternative school funding."

- MOVED CSSB 57 (FIN) OUT OF COMMITTEE

HOUSE BILL NO. 215

"An Act relating to student counts for school funding purposes; and repealing school experience for salary scales provisions."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 59

SHORT TITLE: PRE-ELEMENTARY SCHOOL PROGRAMS/PLANS

SPONSOR(S): REPRESENTATIVE(S) KAWASAKI, GARA, TUCK, PETERSEN

01/20/09	(H)	PREFILE RELEASED 1/9/09
01/20/09	(H)	READ THE FIRST TIME - REFERRALS
01/20/09	(H)	EDC, FIN

04/06/09 (H) EDC AT 8:00 AM CAPITOL 106
04/06/09 (H) Heard & Held
04/06/09 (H) MINUTE(EDC)
04/08/09 (H) EDC AT 8:00 AM CAPITOL 106

BILL: SB 57

SHORT TITLE: CHARTER SCHOOL FUNDING

SPONSOR(s): SENATOR(s) THOMAS

01/21/09 (S) PREFILE RELEASED 1/16/09
01/21/09 (S) READ THE FIRST TIME - REFERRALS
01/21/09 (S) EDC, FIN
01/29/09 (S) EDC AT 9:00 AM BUTROVICH 205
01/29/09 (S) Heard & Held
01/29/09 (S) MINUTE(EDC)
02/02/09 (S) EDC RPT 4DP
02/02/09 (S) DP: ELTON, OLSON, DAVIS, HUGGINS
02/02/09 (S) EDC AT 8:00 AM BELTZ 211
02/02/09 (S) Moved SB 57 Out of Committee
02/02/09 (S) MINUTE(EDC)
02/04/09 (S) EDC AT 8:00 AM BELTZ 211
02/04/09 (S) If Necessary
02/06/09 (S) EDC AT 8:00 AM BELTZ 211
02/06/09 (S) If Necessary
02/27/09 (S) FIN AT 9:00 AM SENATE FINANCE 532
02/27/09 (S) Heard & Held
02/27/09 (S) MINUTE(FIN)
04/01/09 (S) FIN RPT CS 6DP NEW TITLE
04/01/09 (S) DP: HOFFMAN, STEDMAN, HUGGINS, THOMAS,
OLSON, ELLIS
04/01/09 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/01/09 (S) Moved CSSB 57(FIN) Out of Committee
04/01/09 (S) MINUTE(FIN)
04/03/09 (S) TRANSMITTED TO (H)
04/03/09 (S) VERSION: CSSB 57(FIN)
04/06/09 (H) READ THE FIRST TIME - REFERRALS
04/06/09 (H) EDC, FIN
04/08/09 (H) EDC AT 8:00 AM CAPITOL 106

BILL: HB 215

SHORT TITLE: STUDENT COUNTS/TEACHERS' SALARIES

SPONSOR(s): REPRESENTATIVE(s) WILSON

04/03/09 (H) READ THE FIRST TIME - REFERRALS
04/03/09 (H) EDC
04/08/09 (H) EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE SCOTT KAWASAKI
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as one of the prime sponsors of HB 59.

EDDIE JEANS, Director
School Finance and Facilities Section
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 59, answered questions.

LAURY SCANDLING, Assistant Superintendent
Juneau School District
City & Borough of Juneau
Juneau, Alaska

POSITION STATEMENT: Provided testimony on SB 57.

BRAD FAULKNER, Member
Academic Policy Committee
Fireweed Academy
Homer, Alaska

POSITION STATEMENT: Testified in support of CSSB 57(FIN).

JEFF FRIEDMAN, President
Anchorage School Board
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 57.

TODD HINDMAN, Lead Teacher
Anvil City Science Academy
Nome, Alaska

POSITION STATEMENT: On behalf of the Nome Public Schools Board of Education and the Academic Policy Committee of the Anvil City Science Academy, testified in support of SB 57.

NANCY WAGNER, Superintendent
Fairbanks North Star School District
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 57.

JOHN WEETMAN, Assistant Superintendent

Mat-Su Borough School District
Palmer, Alaska

POSITION STATEMENT: Testified in support for SB 57.

BRENDA TAYLOR, President
Academic Policy Committee
Juneau Community Charter School
Juneau, Alaska

POSITION STATEMENT: Urged the committee to work on SB 57 in as expeditious a manner as possible.

EDDIE JEANS, Director
School Finance and Facilities Section
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: During hearing of CSSB 57(FIN), answered questions.

REPRESENTATIVE WILSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the prime sponsor of HB 215.

DANIEL DISTEFANO, Staff
Representative Peggy Wilson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 215 on behalf of the prime sponsor, Representative Wilson.

EDDIE JEANS, Director
School Finance and Facilities Section
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: During the hearing of HB 215, answered questions.

ACTION NARRATIVE

[8:01:11 AM](#)

CHAIR PAUL SEATON called the House Education Standing Committee meeting to order at 8:01 a.m. Representatives Seaton, Wilson, Edgmon, Keller, Munoz, Gardner, and Buch were present at the call to order.

[8:01:31 AM](#)

CHAIR SEATON announced that the first order of business would be HOUSE BILL NO. 59 "An Act providing for the establishment of a statewide early childhood education plan and guidelines."

[8:02:51 AM](#)

CHAIR SEATON reminded the committee that public testimony had been closed at the prior hearing.

[8:03:03 AM](#)

REPRESENTATIVE WILSON moved that the committee adopt Amendment 1, labeled 26-LS0329\E.2, Mischel, 4/6/09, which read:

Page 4, line 24, following "a":
Insert "progress"

[8:03:28 AM](#)

REPRESENTATIVE SCOTT KAWASAKI, Alaska State Legislature, explained that Amendment 1 is in recognition that the department may not be able to complete the report on a specific deadline, and therefore Amendment 1 provides a progress report in terms of what this committee desires with Pre-Kindergarten (Pre-K) programs.

[8:04:02 AM](#)

CHAIR SEATON objected to Amendment 1 for purposes of discussion.

[8:04:55 AM](#)

CHAIR SEATON removed his objection. There being no further objections, Amendment 1 was adopted.

[8:05:08 AM](#)

REPRESENTATIVE WILSON moved that the committee adopt Amendment 2, labeled 26-LS0329\E.1, Mischel, 4/6/09, which read:

Page 3, line 27:
Delete "three and four years of age"

CHAIR SEATON objected for discussion purposes.

[8:05:28 AM](#)

REPRESENTATIVE KAWASAKI explained that Amendment 2 removes the age stipulation so that all students can be involved and the department can decide how best to stipulate the age for Pre-K. He noted his understanding that the department's intent is to proceed with three to four years of age. Representative Kawasaki pointed out that there's a forthcoming amendment that dovetails with Amendment 2.

[8:06:21 AM](#)

REPRESENTATIVE KELLER requested that Amendment 1 be withdrawn and the forthcoming amendment, which is broader in scope, be considered.

CHAIR SEATON withdrew his objection to Amendment 2.

REPRESENTATIVE WILSON withdrew her motion to adopt Amendment 2.

[8:07:18 AM](#)

REPRESENTATIVE KELLER moved that the committee adopt Conceptual Amendment 3, as follows:

Page 3, lines 26-27, following "plan for"
Delete "students three and four years of age"
Insert "families with preschool children"

CHAIR SEATON objected for discussion purposes.

[8:08:00 AM](#)

REPRESENTATIVE EDGMON asked if there is a specific reason to use the term "families."

REPRESENTATIVE KELLER clarified that the intent is to change the focus from students to families because parents have jurisdiction over their children from birth to school. He opined that parents are uniquely designed to know the individuality of each child more than anyone else. Therefore, it makes more sense to work with the parents in the education program. He said he's more comfortable with giving parents the resources to work with their children, which has been successful in Hoonah.

[8:10:18 AM](#)

REPRESENTATIVE EDGMON inquired as to how the three- and four-year-olds who do not live in a traditional family structure but rather have a guardian ad litem or foster parents would fit into Amendment 3.

REPRESENTATIVE KELLER specified that the term "family" is not defined and doesn't presume a traditional family structure. He said that he hadn't felt being explicit with the definition of "family" was necessary.

[8:11:17 AM](#)

REPRESENTATIVE GARDNER pointed out that this is a significant shift in the thinking about preschool education. She opined that working with families is an appropriate approach because not every child needs to attend preschool.

[8:11:58 AM](#)

CHAIR SEATON expressed concern that HB 59, which is about education, is now asking the department to write a plan for families. Is that the intent, he asked.

[8:12:47 AM](#)

REPRESENTATIVE KELLER pointed out that Amendment 3 maintains the language "**devise a statewide early childhood education plan**". Furthermore, the legislation specifies that the early childhood education plan is optional. He said he envisions a resource center from which families can obtain resources to prepare their children for education.

[8:13:25 AM](#)

REPRESENTATIVE WILSON indicated that she liked Amendment 3 as it addresses the entire family.

[8:14:22 AM](#)

CHAIR SEATON offered a friendly amendment to include the language "students and family" to allow the early education plan to focus on an individual child while involving the entire family.

REPRESENTATIVE KELLER opposed the aforementioned suggestion because when a child is taken out of the home, the state struggles with the parental role. The Office of Children's Services (OCS) holds the responsibility for the child and in a sense becomes the family for a child taken from his/her home. Representative Keller opined that using the language "student" may imply that the Department of Education and Early Development (EED) takes the jurisdiction and responsibility for the child, which he wasn't sure is the desire.

[8:16:21 AM](#)

REPRESENTATIVE MUNOZ stated support for the amendment [to Amendment 3], but pointed out that there seems to be a semantics issue with the language as it seems to indicate a student could have a child in preschool.

[8:17:15 AM](#)

REPRESENTATIVE KELLER asked if Chair Seaton's concern would be addressed by inserting the language "who will become students" following "children".

[8:17:31 AM](#)

REPRESENTATIVE KAWASAKI said that he wasn't sure how the policy would be impacted in those instances in which a student doesn't have a family. Furthermore, he questioned having EED write policy to families. Representative Kawasaki opined that students have to be referenced in the language. He related that he would be more comfortable with the mention of students and families.

[8:18:31 AM](#)

REPRESENTATIVE GARDNER pointed out that the language refers to early childhood education and that those children who aren't yet school age and don't have a family and not in a foster home are generally in a residential setting, which has intensive wrap-around services. Therefore, she said she didn't believe the language is excluding anyone.

CHAIR SEATON clarified that he wasn't speaking about children who have been taken from their home, but rather his concern is for the diversity of families that exist across the state. He reiterated his concern that EED is being asked to write a plan for families.

[8:20:18 AM](#)

REPRESENTATIVE MUNOZ disagreed, and opined that the language "**devise a statewide early childhood education plan for families with preschool children**" is clear and very inclusive. Furthermore, Representative Munoz opined that it doesn't diminish the intent, but rather strengthens it.

[8:21:01 AM](#)

REPRESENTATIVE EDGMON expressed concern that the amendment proposes eliminating the term "**students**" that is defined in statute to the term "**families**" that is not defined.

[8:21:35 AM](#)

REPRESENTATIVE KELLER clarified that the law, with or without the amendments, says nothing about a family plan and doesn't imply it. In response to Representative Edgmon, Representative Keller offered his belief that there isn't a legal definition of "student." With regard to including a definition of "family," he opined that it would prove to be a slippery slope.

[8:22:40 AM](#)

CHAIR SEATON asked if the language "preschool students and their families" would result in an inclusive situation. Would such be a friendly amendment, he asked.

REPRESENTATIVE KELLER replied no. He explained, "It's a plan for families and it's for the children who will become students, but the focus can be either or the way you described it. And mine's narrower ... it applies only to the families and I'd like to stick with that."

[8:23:44 AM](#)

CHAIR SEATON inquired as to how the department would handle Conceptual Amendment 3.

[8:25:07 AM](#)

REPRESENTATIVE EDGMON asked if there is a statutory definition of "**student**" or "**families**."

[8:25:22 AM](#)

EDDIE JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (EED), responded that he couldn't answer right away, but would have to look up the answer. However, he highlighted that there is clearly a definition for "school age children" that's used for funding purposes.

CHAIR SEATON asked if the term "student" is applicable in this case when the language refers to preschool age children.

[8:26:17 AM](#)

MR. JEANS related his understanding that this legislation directs EED to develop a preschool funding model that is voluntary. He said that he would interpret the language "families with preschool children" as the same as [using the terms "student"]. He further said that there would be a family component in the plan [regardless of the language used]. Therefore, Mr. Jeans said he didn't see a problem with the proposed language.

[8:26:50 AM](#)

REPRESENTATIVE EDGMON interjected the need to be sure that the grandparents aren't excluded because they aren't considered part of the family.

MR. JEANS assured the committee that the extended family won't be excluded. He informed the committee that statute refers to "custodian of the children," which would include various family structures.

[8:27:38 AM](#)

REPRESENTATIVE BUCH related his understanding [per the language in the legislation and per the language in Conceptual Amendment 3] that the department is being asked to formulate a plan for preschool children. The language appears to provide fairly broad language to develop the plan, he remarked.

[8:29:00 AM](#)

REPRESENTATIVE WILSON recalled that Mr. Jeans testified that regardless of the language the families would be included [in the plan].

MR. JEANS said he didn't know how a Pre-K program could be developed without including the families. Even with statewide correspondence, there has been focus on individualized learning plans. The aforementioned will be part of the Pre-K program. He noted that the constitution of the program will vary between communities. The department is focusing on developing a program that allows flexibility to meet individual student and community needs, which includes the parents.

[8:30:21 AM](#)

REPRESENTATIVE EDGMON maintained his concern regarding how "family" would be defined. He noted that some family structures in rural villages are non-traditional.

[8:31:06 AM](#)

REPRESENTATIVE KELLER commented that this is a valid concern, and suggested that the use of the term "custodian of the children" might resolve the issue. He stated his intent is not to limit the number of children that would be involved.

[8:31:37 AM](#)

MR. JEANS responded that he would prefer to not include that language. He said he believes the definition of "family" is contained in regulation, and that definition could be referenced when addressing this issue.

[8:32:05 AM](#)

CHAIR SEATON said he would be comfortable with Conceptual Amendment 3 if Mr. Jeans would confirm for the record that the intent of the department is to involve families and not to write a family plan that must be followed.

MR. JEANS responded that that is his understanding of the department's intentions.

[8:33:35 AM](#)

CHAIR SEATON removed his objection to Conceptual Amendment 3. There being no further objection, Conceptual Amendment 3 was adopted.

[8:33:49 AM](#)

REPRESENTATIVE KELLER moved that the committee adopt Conceptual Amendment 4, as follows:

Page 3, line 31:

Delete "or expansion of"

CHAIR SEATON objected for discussion.

[8:34:32 AM](#)

REPRESENTATIVE KELLER indicated that Conceptual Amendment 4 would offer the department the freedom to expand and encourage valid programs.

[8:35:12 AM](#)

CHAIR SEATON asked Mr. Jeans to confirm that the proposed amendment would not constrain the department.

MR. JEANS answered that it would not.

[8:35:42 AM](#)

CHAIR SEATON removed his objection to Conceptual Amendment 4. There being no further objection, Conceptual Amendment 4 was adopted.

[8:35:49 AM](#)

REPRESENTATIVE KELLER moved that the committee adopt [Conceptual] Amendment 5, as follows:

Page 4, lines 18-19, following "cost-efficient":

Insert "family based"

[8:35:57 AM](#)

CHAIR SEATON objected for discussion purposes.

[8:36:25 AM](#)

REPRESENTATIVE KELLER, in response to Representative Wilson, confirmed that all the amendments being offered to HB 59 are conceptual.

[8:36:57 AM](#)

CHAIR SEATON asked if there are any efficient and optional pre-elementary programs that are not family based.

MR. JEANS offered his belief that the department has already developed the early learning guidelines that would be included under this new statute. He stated, "As long as we understand that ... adding 'family based' doesn't limit us to family-based programs, then I'm fine with the language."

[8:37:50 AM](#)

CHAIR SEATON asked the bill sponsor if he thinks Conceptual Amendment 5 would restrict the department's guidelines.

REPRESENTATIVE KELLER answered no.

[8:38:13 AM](#)

REPRESENTATIVE BUCH interjected that he cannot see how it would not. He expressed concern that Conceptual Amendment 5 is exclusive and would limit the department's ability to determine the effectiveness of guidelines. He clarified that he does not have a problem with the concept of involving families when it is appropriate to do so; however, he said there may be circumstances within the development of the program when "it is outside of that purview." He added, "So, my concern would be that we don't make it exclusionary in the development of this particular process."

REPRESENTATIVE KELLER indicated that without examples in which a family would not be engaged, he supports being restrictive. He explained that he wants whoever is the custodian of the child to have some engagement.

[8:40:11 AM](#)

REPRESENTATIVE BUCH deferred to the department.

[8:40:22 AM](#)

REPRESENTATIVE GARDNER questioned whether this language would prevent a child from attending if his/her parents did not want to be involved in the program.

REPRESENTATIVE KELLER answered no.

REPRESENTATIVE GARDNER asked Chair Seaton if it would be sufficient to note for the record that the proposed amendment is conceptual and is not intended to exclude children whose parents want their children to participate but do not, themselves, want to participate in the program.

[AN UNIDENTIFIED SPEAKER] said, "Absolutely."

MR. JEANS, referring to page 4, lines 18-20, opined that it's a fairly broad definition. He further opined that it doesn't restrict it only to family-based programs.

[8:41:52 AM](#)

REPRESENTATIVE WILSON, referring to page 4, lines 18-20, highlighted the language, in the context of the legislation, specifying that the board shall adopt:

(6) early learning guidelines that support an effective, cost-efficient, and optional pre-elementary program provided under a statewide early childhood education plan approved by the department.

REPRESENTATIVE WILSON questioned whether the aforementioned would require the department to change some of its guidelines or regulations.

[8:42:59 AM](#)

REPRESENTATIVE BUCH removed his objection to Amendment 4.

[8:43:15 AM](#)

REPRESENTATIVE MUNOZ asked if the "family-based" programs imply a certain type of program.

MR. JEANS answered that the term "family based" does imply programs such as Parents as Teachers. However, there isn't a specific listing of those programs that fall under the family-based program designation. Mr. Jeans related his belief that the early learning guidelines that have already been adopted by the State Board of Education address all the components currently required in this section.

[8:44:13 AM](#)

REPRESENTATIVE KAWASAKI said he didn't have a problem with Conceptual Amendment 5 and would work with Representatives Keller and Edgmon to ensure that the definition "is rigid and somewhere in code."

[8:44:44 AM](#)

REPRESENTATIVE EDGMON, referring to page 4, lines 5-6, asked if there is alignment between the references to "local needs" and "family based".

MR. JEANS reiterated that the department finds the language to be in line with where EED is already heading, programs that target individual students based on community need. The department wants to maintain broad language in order that it has the flexibility to develop different programs based on community and parental needs. In further response to Representative Edgmon, Mr. Jeans said that the term "family based" won't restrict or encourage the department to go in any other direction than it is already heading.

[8:47:26 AM](#)

CHAIR SEATON removed his objection to Conceptual Amendment 5. There being no further objections, Conceptual Amendment 5 was adopted.

[8:48:51 AM](#)

REPRESENTATIVE MUNOZ moved to report CSHB 59, Version LS0329\E, Mischel, 3/9/09, as amended, out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHB 59(EDC) was reported from the House Education Standing Committee.

[8:49:37 AM](#)

The committee took a brief at ease from 8:49 a.m. to 8:52 a.m.
SB 57-CHARTER SCHOOL FUNDING

[8:52:18 AM](#)

CHAIR SEATON announced that the next order of business would be SENATE BILL NO. 57, "An Act relating to charter school funding."

[8:52:29 AM](#)

SENATOR JOE THOMAS, Alaska State Legislature, presented the CS for SB 57, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

SB 57 is about supporting school choice and doing away with the charter school penalty.

Current law results in charter schools with under 150 students receiving 30% to 45% less state funding than neighborhood schools of their same size.

The colored chart in your packet graphically demonstrates the effect of the current law.

This legislation solves the funding problem in an equitable, fiscally responsible manner.

CSSB 57 states that charter schools with fewer than 150 students will have their student count adjusted by the same per-student rate as neighborhood schools with 400 students.

CSSB 57 also addresses the problem created for school districts when their charter and alternative schools unexpectedly enroll fewer students than the number required for the state to fund them as separate schools.

Today, the minimum number of students a charter school must have to be funded as a school is 150, and the enrollment an alternative school must have is 200. When these schools fall just one student below those thresholds in the October count period, the state cuts funding by \$500,000 - \$700,000. This is a disaster for the school and its district.

CSSB 57 contains a one-year, hold-harmless provision for charter schools and alternative schools that unexpectedly fall below the threshold, and are either in their first year of operation or were above the threshold the previous year. For one year, these schools will receive 95% of the per-student rate they would have received at the threshold.

Charter schools in their hold harmless year must submit a budget to their local school boards, laying

out the plan for the following year if their enrollment does not rise.

Finally, SB 57 lowers the separate-school threshold for alternative schools from 200 to 175.

Alaska has a serious problem with school achievement and high school graduation. One type of school is not best for all students.

Charter schools and alternative schools offer parents choice within the public school system.

This legislation has received strong support from around the state. We have been contacted by parents from Ketchikan to Nome. The Alaska Association of School Boards, and representatives of the Fairbanks, Nome, Juneau, Anchorage, Lower Kuskokwim, Ketchikan and Mat-Su school districts have testified in favor of SB 57.

Our school funding system has limited communities' ability to create and sustain innovative programs. It is essential that the legislature take action this session, and I would appreciate your support.

[8:55:48 AM](#)

REPRESENTATIVE WILSON asked if there is a minimum enrollment for charter schools. She recalled that charter schools were funded the same as public schools so long as enrollment was 150 students or more. The aforementioned provided the state protection against having numerous low enrollment charter schools that would receive a disproportionate amount of funding.

SENATOR THOMAS answered that the minimum enrollment for charter schools is the same as for public schools, which is 10 students.

[8:56:46 AM](#)

REPRESENTATIVE WILSON surmised then that a charter school with 10 students would receive the same amount of funding as a school of 400 students.

SENATOR THOMAS directed attention to the chart entitled "Adjusted Student Count for Charter Schools vs. Neighborhood Schools," which illustrates how the count is adjusted. He

acknowledged that the funding is for a neighborhood school, which is a school of 400 students. In further response to Representative Wilson, Senator Thomas confirmed that the left axis represents the count adjustment per student.

[8:58:09 AM](#)

CHAIR SEATON noted that the aforementioned chart has been previously viewed without the projection of SB 57. He said:

The problem is the blue bars [neighborhood schools] is you get smaller and smaller as a single site school. It's showing that if it's a noncharter school, the per child amount goes up and up and up because you don't have the economy of scale. The purpose of this legislation is so that it doesn't drop so far that it's uneconomic to have a charter school under 150. But, it doesn't give the same advantage as a small school would. So, it just caps it at a level. There's actually a decreased amount because you're not funded at the higher per student that you would get at a 150 or above; it jumps up to the 400 student level. So, that's not going to encourage an explosion, I don't think, of small charter schools. But, the big problem has been that if a school drops below 150, the regular school district has to take out of its budget a large amount of money to offset because the formula, then, doesn't work even to hold the school district harmless.

[8:59:37 AM](#)

SENATOR THOMAS mentioned that the committee should also have a document entitled "Example Adjusted Student Count Calculations," which supports the aforementioned chart.

[9:00:34 AM](#)

REPRESENTATIVE GARDNER expressed some confusion with regard to how this legislation treats charter and alternative schools, particularly since both charter schools and alternative schools offer alternative programs to the standard schools. She related her understanding that charter schools tend to have more involved and engaged families than the alternative schools. The alternative schools sometimes serve the needs of students who haven't been successful in other schools. In terms of funding and that they tend to be smaller schools, she inquired as to why

alternative schools may need to be handled differently than charter schools.

SENATOR THOMAS related that there are some basic differences, including that the school district is in charge of how alternative schools are run and there is more parental involvement in the operation of a charter school.

REPRESENTATIVE GARDNER asked if SB 57 proposes to make the same changes for charter schools and alternative schools.

SENATOR THOMAS replied that the changes proposed in the legislation are the same for charter schools and alternative schools, except for the change to the threshold.

CHAIR SEATON clarified that the threshold refers to the size. The size before the 95 percent would come into play would be 175 students for alternative schools and 150 for charter schools.

REPRESENTATIVE GARDNER asked whether there could be a good argument for treating alternative schools in the same way as charter schools, in terms of funding.

SENATOR THOMAS acknowledged that there could be. He explained that the desire was to keep the fiscal note down, and the thought was that in the future there may be more adjustment. The legislation presents what is acceptable with which to move forward [in fiscal terms].

[9:03:33 AM](#)

REPRESENTATIVE GARDNER said that although she didn't want to damage the prospects of SB 57 moving forward, she expressed concern with protecting the charter school students but not doing the same for the alternative schools students with the same needs.

SENATOR THOMAS related that most of the comments he has received have been in regard to concerns with charter schools. The main concern has been to reduce the count to 175.

[9:04:09 AM](#)

REPRESENTATIVE GARDNER questioned whether the reason the majority of the comments were regarding charter schools was because those folks tend to be more involved. Perhaps, the

alternative schools have the same needs just not the same involvement, she suggested.

SENATOR THOMAS acknowledged that may be the case, but noted that folks were contacted to provide comments on alternative schools. The school districts did comment, he related.

9:04:40 AM

REPRESENTATIVE KELLER clarified that an alternative school is not defined in statute, but rather is defined in regulation as school that's designed for the specific needs of particular students. Therefore, any district can create an alternative school. Furthermore, the alternative school regulation specifies that a charter school is a type of alternative school. He reminded the committee that when he had similar legislation, he found the drafters being hesitant due to the vague definitions of schools.

9:05:44 AM

REPRESENTATIVE MUNOZ pledged that during the interim she would help craft language that would lower the threshold for alternative schools. There is also the need to address the need for state compliant language in order for the state to receive the federal funding available for charter school facilities. Regarding the facilities issue, charter schools have the responsibility of paying for their facilities out of their per student allocation, while the facilities for alternative schools are provided by the school district at no extra cost to the program.

9:09:08 AM

LAURY SCANDLING, Assistant Superintendent, Juneau School District, City & Borough of Juneau, said that she would specifically speak about alternative schools as she has spent 11 years as a manager of an alternative program within a high school as well as a separate alternative high school in Juneau. She highlighted that the alternative school students are funded at the rate of the largest school in the district, using the .84 multiplier. The aforementioned assumes there are economies of scale at an alternative school that might be achieved at a large high school. However, Ms. Scandling said that's simply not the case because from her experience, those students in alternative programs are there for a reason and bring a host of issues that require intensive academic and social support. She then

mentioned that there is often a concentration of secondary students in alternative programs whereas there tends to be a concentration of elementary students in charter programs. Therefore, she recommended the committee consider dropping the level at which students can be funded at a more equitable level from 200 to 175 or 150. She related that her research regarding the effectiveness of organizations that operate at the tipping point of 150 has resulted in her preference for 150.

[9:12:03 AM](#)

REPRESENTATIVE BUCH asked if Ms. Scandling supports CSSB 57(FIN).

MS. SCANDLING declined to make a statement since she has not read the entire legislation.

[9:12:53 AM](#)

REPRESENTATIVE KELLER asked if Ms. Scandling would anticipate action to obtain more students if the legislature were to lower the threshold for alternative schools down to 175 students.

MS. SCANDLING expressed her pride with Juneau's alternative program, which has been nationally recognized as a model program. Drawing upon her experience as the principal of Juneau's alternative school, recalled that its annual average attendance was around 190 students. However, the quarterly admissions system causes there to be a rollover of students each quarter. The challenge [were the threshold lowered], she opined, would be to ensure that a greater number of students was enrolled by the count date. She further opined that an enrollment threshold of 150 is more manageable and better for students because effectiveness is lost at an enrollment level over 150. However, she recalled that she worked with Juneau's alternative school on a long-range plan with a three- to five-year implementation period and an enrollment of up to 200 students as that's the current level of funding. Still, there was concern with the size of the alternative school because smaller class sizes make a difference. In answer to Representative Keller, Ms. Scandling responded that she would anticipate the alternative school seeking more students if the threshold is increased. She reminded the committee that the funding is provided to the district that hosts the alternative school, and therefore the funding is a general revenue source and the allocation of the funds is up to each school board. She mentioned that the Juneau School District has generally

supported Juneau's alternative programs over time with the necessary resources.

[9:15:07 AM](#)

BRAD FAULKNER, Member, Academic Policy Committee, Fireweed Academy, stated support for CSSB 57(FIN). Mr. Faulkner mentioned to the committee that since Standard Base Assessments (SBAs) are being administered today, most teachers are unable to testify. Mr. Faulkner opined that from a charter school perspective, SB 57 isn't perfect. He informed the committee that the Fireweed Academy has a student count of 90, but will be funded as a school with 400 students. Still, those in the Fireweed Academy will share the facility with other students and receive substantially less funds than other students in the facility. However, the legislation is a good start that everyone in the charter school community supports. Mr. Faulkner then highlighted some differences between alternative schools and charter schools. A major difference is that an alternative school receives local funding while a charter school does not. For example, none of the Kenai property taxes are used to fund the charter school, and therefore the funding for the charter school starts at about 30 percent less than for other students. Furthermore, the charter school is funded at 26-30 percent less from the state. Moreover, charter schools don't receive any funding for the facility. In the past, charter schools have experienced up to 90 percent of bonding for facilities of state reimbursement. Currently, it's around 60 percent. However, out of those state funds, the charter school has to pay for its facilities funding. Mr. Faulkner then turned to the common misconception that charter schools attract the best students. In Homer, the charter school has a good reputation and receives more needs-intensive students than is its share. In conclusion, Mr. Faulkner reiterated that CSSB 57(FIN) is a good start that charter schools support.

[9:18:11 AM](#)

JEFF FRIEDMAN, President, Anchorage School Board, Municipality of Anchorage, paraphrased from the following written statement, [original punctuation provided]:

Our board has discussed this charter school funding several times in the past and I believe the board and the administration are fully supportive of SB 57.

The 150 student cut off has caused problems with two Anchorage charter schools since I have been on the board and at least one charter school before that. Two of those schools ended up closing. The other struggled for a year, but has since been very successful.

The changes in SB 57 will provide a safety net for schools that drop slightly below the 150 student level, and will provide a more equitable funding method for alternative schools and charter schools.

Charter schools and other alternative schools provide choice for those students who don't fit well into traditional neighborhood schools. They are a vital part of our district. I urge you to support SB 57.

[9:20:02 AM](#)

TODD HINDMAN, Lead Teacher, Anvil City Science Academy, speaking on behalf of the Nome Public Schools Board of Education and the Academic Policy Committee of the Anvil City Science Academy, related support for SB 57. He said that in a small community such as Nome, a charter school with a student population of 150 is highly unlikely. Furthermore, if a charter school with such a population were achieved, it would likely have an adverse impact on the other public schools. The small size of Anvil City Science Academy (ACSA) is one of its strengths as it allows for flexibility in its daily operations to provide unique opportunities to its students. Therefore, students are able to go out into the community and use it as a resource in their education, which provides a more meaningful learning experience. The ACSA's small size also creates a culture around family value, which ensures student success through daily engagement with the parents. Mr. Hindman thanked the committee for its efforts in providing support for small charter schools, which are identifying and meeting specific needs in the communities they serve.

[9:21:39 AM](#)

NANCY WAGNER, Superintendent, Fairbanks North Star School District, paraphrased from the following prepared statement [original punctuation provided]:

I am representing the Fairbanks North Star Borough School District and want to express our support for Senate Bill 57.

I would like to thank the House Education Committee for scheduling SB 57. This Bill is extremely important to Charter schools which provide choice and alternative educational programs for our students.

We currently have three charter schools and a new one coming on-line next year. Two of our current charter schools and our new charter school have target enrollments at about 155 students, so struggling to meet the 150 funding threshold is not uncommon.

This year, one of our charter schools just missed the 150 student "average daily membership" threshold during the count period, even though they had over 150 students by the end of the count. Falling short of the current enrollment threshold cost our district about \$680k. All because of a small timing difference related to student enrollments.

While we expect that all our existing charter schools will be larger than 150 students next year, this bill helps address the catastrophic impact should a school fail to meet that 150 student threshold, even if by the thinnest of margins. It is a fair compromise for funding of existing charter schools.

We also expect our new charter school to exceed 150 students next year. But this bill also provides a fair funding compromise should their startup enrollments fall a little short. It would still be difficult to offer the curriculum as originally envisioned, but it would not be impossible, as is currently the case. It provides a great incentive for schools to get to their targeted enrollments.

SB 57 fixes the funding problem in an equitable, fiscally responsible manner.

I encourage you to pass this Bill. Providing alternative educational programs is important for the public school system. We are charged with the responsibility of meeting the needs of EVERY child enrolled in our district. Alternative and Charter

Schools provide the opportunity for Alaska families to choose the program that best meets their child's needs. Without the provisions outlined in SB 57, at least one of our charter schools could be in danger of having to close.

[9:25:12 AM](#)

JOHN WEETMAN, Assistant Superintendent, Mat-Su Borough School District, paraphrased from the following prepared statement [original punctuation provided]:

The Mat-Su Borough School District supports Senate Bill 57 and is supportive of school choice and currently hosts 4 charter schools and 3 alternative schools, which enroll approximately 1500 students.

I do believe that Senate Bill 57 will correct the funding problem in an impartial and fiscally dependable manner.

By lowering the threshold for alternative schools from 200 to 175 Senate Bill 57 will address a financial setback that occurred this year for MSBSD, one of our alternative schools unexpectedly dropped below the required 200 number by 6 students, resulting in a \$780K deficit to the school district.

The one-year, hold-harmless provision for charter schools and alternative schools that unexpectedly fall below the threshold, allows charter and alternative schools to focus student education and not financial deficit created by the current funding.

Charter schools and alternative schools offer parents choice within the public school system that provides smaller learning communities, dropout prevention and increased graduation rates.

In conclusion Senate Bill 57 creates a sustainable funding system for innovative programs. I thank you for your time and effort that all of you put in for the students of Alaska.

[9:27:39 AM](#)

BRENDA TAYLOR, President, Academic Policy Committee, Juneau Community Charter School, informed the committee that at a recent charter school conference she was impressed with the variety of charter schools. The one thing that the representatives at the aforementioned conference could agree upon was the importance of choice for students, teachers, and parents. That choice lends itself to students, teachers, and parents having more passion and involvement in the schools. Therefore, it's not just that more involved parents choose charter schools, it's that once parents are able to choose the type of education for their child they become more involved in their child's education. Ms. Taylor opined that the aforementioned choice and passion are the reasons that charter schools survive. As has been mentioned, charter schools have more expenses than neighborhood schools. For example, charter schools have to pay for space. As much as is possible, charter schools try to reduce costs by using the passion of the teachers, parents, and students. Therefore, those groups perform much of the custodial services, supervision during playground time, and office/administrative support. She pointed out that charter schools have to pay the same [as other public schools] for the teachers' salaries and office staff. The aforementioned has resulted in having to make some difficult choices, such as not having a counselor in the Juneau Community Charter School. Ms. Taylor urged the committee to work on SB 57 in as expeditious a manner as possible. In conclusion, she acknowledged that the committee has a difficult decision in terms of how deeply to review the alternative schools. Still, alternative schools do have the [advantage] of the district, which directly supervises and runs alternative schools. The districts have more flexibility in terms of the use of funding while the charter schools receive funds that come directly from the state and no outside sources of funds in the way that alternative schools do.

[9:32:44 AM](#)

REPRESENTATIVE GARDNER expressed interest in the idea that funding could be used to provide a bus in order to increase enrollment since there are children who cannot attend due to transportation issues. Therefore, she questioned whether providing transportation would be a large factor in charter schools maintaining their student populations or even growing.

MS. TAYLOR said that she believes transportation would be a larger factor, even knowing that school districts throughout the state run differently. For example, in Ketchikan the bus system

works such that it can transport children to the various schools. However, the Juneau School District is more spread out and is unable to transport children to all the various schools. She opined that this legislation will help districts in regard to how to think about choice.

9:34:20 AM

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

9:35:19 AM

CHAIR SEATON inquired as to the function of the 95 percent per student.

9:35:28 AM

EDDIE JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (EED), explained that basically there are two hold harmless measures in this legislation. One of those measures addresses the charter schools that have more than 150 students, but have less than 150 students in a subsequent year. The hold harmless causes a charter school in such a situation to be funded at 95 percent of what 150 students would generate. The legislation requires a charter school in such a situation to develop and submit a plan for the upcoming year to the local school board. There is also a hold harmless provision for alternative schools such that when it has a student count of more than 175 one year, but falls below that the next year. Again, the alternative school in such a situation would be funded at 95 percent of 175 students in the subsequent year. Therefore, the hold harmless clause allows the school to plan for reduced funding or recruiting more children.

CHAIR SEATON asked if EED views the aforementioned as an equitable manner in which to do long-range planning.

MR. JEANS answered that it's an appropriate response.

9:37:13 AM

REPRESENTATIVE KELLER, drawing from the fiscal note, related his understanding that the Mat-Su Borough School District may be a big winner with the passage of this legislation. He explained that in the Mat-Su Borough School District there are two alternative schools that are near the 200 student count

threshold and one that has dropped below the 200 student count threshold. Therefore, the potential impact to the Mat-Su Borough School District is high. He then related his belief that an alternative school better serves students at the lower student count of 175. He asked if his assessment is correct.

MR. JEANS replied yes, and then directed attention to page 3 of the fiscal note where it references the projected student counts of Mid Valley Alternative High School, which would qualify them for the hold harmless funding in fiscal year 2010 unless the enrollment exceeds the current projections.

REPRESENTATIVE KELLER, in response to Representative Buch, specified that the alternative schools in the Mat-Su Valley are listed on page 3 of the fiscal note.

[9:40:23 AM](#)

CHAIR SEATON asked if the committee members had any amendments; there were none offered. He then asked whether the committee would like to hold the legislation for a second hearing. He noted that although the committee has had one hearing on SB 57, it has held multiple discussions on the topics it encompasses. No request was made to hold the legislation for a second hearing.

[9:40:59 AM](#)

REPRESENTATIVE KELLER said that although he is willing to make the motion to forward the legislation from committee, he related a sense of loss in that money is being distributed without an attachment or incentive related to academic excellence.

[9:41:50 AM](#)

REPRESENTATIVE WILSON mentioned that she has changed her view of charter schools in the system.

[9:42:58 AM](#)

REPRESENTATIVE WILSON moved to report CSSB 57(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[9:43:29 AM](#)

REPRESENTATIVE GARDNER, referring to surveys regarding why students drop out of school, highlighted that many of the reasons given for why students dropping out are addressed by charter schools. Therefore, she suggested that members review those ways in which charter schools support the efforts to improve graduation rates.

HB 215-STUDENT COUNTS/TEACHERS' SALARIES

[9:44:24 AM](#)

CHAIR SEATON announced that the final order of business would be HOUSE BILL NO. 215, "An Act relating to student counts for school funding purposes; and repealing school experience for salary scales provisions."

[9:44:36 AM](#)

REPRESENTATIVE WILSON, Alaska State Legislature, speaking as the prime sponsor of HB 215, paraphrased from the following prepared statement [original punctuation provided]:

I have introduced HB 215 because we need to give schools additional tools to provide the best education possible.

Repealing salary scale limitations for out of state teachers will make it easier to recruit teachers for hard to fill positions.

This bill will also make sure schools are doing what's best for kids. I want to combat high drop out rates and I think averaging student counts between the fall and the spring will help. I know this may cause some grumbling from school districts, and I understand where they are coming from. But this is the right thing to do for the kids, and we have to make their long term education needs our first priority.

CHAIR SEATON reminded the committee that this is the first hearing of HB 215, and therefore he has no intention of moving it from committee today.

[9:45:53 AM](#)

DANIEL DISTEFANO, Staff, Representative Peggy Wilson, Alaska State Legislature, paraphrased from the following prepared statement [original punctuation provided]:

HB 215 will repeal salary scale limitations for hiring new out of state teachers. Additionally it will average student counts in the spring and fall to determine school funding numbers for the following school year. We believe this will help address multiple problems facing Alaska's education system.

Specialty positions, such as therapists and special needs teachers are in high demand in school districts across the country and Alaska is facing a shortage. By allowing school districts to negotiate salaries on a case by case basis for out of state hires, Alaska schools will be more competitive when vying for needed educational professionals.

Left over from territorial days, the statute limiting years of out of state experience that can be applied to a new hire's salary scale has become an obstacle that is hurting our schools.

A bigger issue we are hoping to help with HB 215 is the extremely high drop out rates across the state.

Testimony on other bills the education committee has heard this year describes how unmotivated or problem students can be "pushed out" rather than encouraged to stay in school. By averaging the student counts that are used to determine school funding, we hope to create a financial incentive for school districts to keep students in the classroom past the annual fall count.

Current statutes provide for one student count to be held in October of each year. Funding for the same year is dependent on that count. HB 215 will establish counts in October and in February. These counts will be averaged and then used to determine funding for the following year. There will be an additional count in October of the current year that will be averaged with the previous February's count. In the event that this average is higher, funding will then be increased for the current year.

We hope that by providing this added financial motivation, school districts will work towards higher student retention rates. Drop-out rates are a big

problem that this bill won't solve on its own, but we believe it needs to be attacked from multiple angles.

This bill has the additional benefit of determining a solid funding level for the upcoming school year; this gives school districts the ability to work with concrete numbers when they plan their budget.

To better serve Alaska's youth we need to proactively address the issues of high drop out rates and teacher recruitment and HB 215 does that. I'd like to thank the committee for taking the time to hear this bill.

[9:48:23 AM](#)

CHAIR SEATON, referring to the new language on page 2, asked if the last Friday in February corresponds with any holidays or routine school breaks that would affect enrollments.

REPRESENTATIVE WILSON explained that the aforementioned date was chosen because the decision whether teachers will receive pink slips occurs by March 15. Furthermore, having the count prior to March 15 allows schools to know the counts for the next year.

CHAIR SEATON requested that the date be scrutinized in order to ensure that the last Friday in February doesn't conflict with known or routine scheduled events.

MR. DISTEFANO interjected that March 15 is the end date by which the count must be complete; the date should allow adequate time for students to be in class.

[9:51:06 AM](#)

REPRESENTATIVE GARDNER, referring to the sponsor statement, asked if the current statutes regarding the salary scale were actually from territorial days.

MR. DISTEFANO replied yes, adding that Mr. Jeans has the exact timeline when the state took over funding schools.

[9:51:40 AM](#)

REPRESENTATIVE EDGMON remarked that HB 215 seems that it could be two pieces of legislation since it addresses the following two separate subjects: the student count for school funding for

enrollment and repealing school experience for salary scale provisions.

REPRESENTATIVE WILSON said that the two subjects were combined in order that she didn't have two pieces of legislation. In response to Chair Seaton, Representative Wilson related that Legislative Legal and Research Services had no problem with the legislation having the two subjects because it falls under the topic of school funding purposes and salary scale provisions.

[9:53:06 AM](#)

REPRESENTATIVE EDGMON surmised that since this is the first hearing of HB 215, no fiscal note is available.

CHAIR SEATON indicated that to be the case.

[9:53:43 AM](#)

CHAIR SEATON requested review of the chart entitled "Funding For 2011 School Year 335*BSA."

[9:54:03 AM](#)

MR. DISTEFANO explained that the chart relates information regarding the 2011 school year and omits the 2012 school year. The graph is a way in which to conceptualize the student counts and illustrate how the averaging occurs.

[9:55:32 AM](#)

EDDIE JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (EED), referring to the aforementioned chart, explained that the October 2010 and February 2011 student counts encompass fiscal year and school year 2011. The average of the two counts is 335, which is the number upon which the 2012 budget would be based because that would be the guaranteed level of funding the district would receive. When the school enters the 2012 school year, the February 2011 student count would be used again and a new count would be performed in October 2011. If the student count increases over the prior count, the district would receive the benefit of the higher count, but if not the district would receive the count calculated in the prior year. Mr. Jeans characterized the aforementioned as a good planning tool that provides the district with the knowledge of its minimum funding level six months in advance.

9:57:09 AM

CHAIR SEATON asked if the aforementioned is because of the hold harmless provision regarding declining enrollment.

MR. JEANS replied no, and clarified that it's based on the new provision that would require two counts from which an average is taken. He then explained further that under this provision, another count would be performed in February 2012 and it would be averaged with the October 2011 count in order to establish the 2013 minimum.

9:57:51 AM

REPRESENTATIVE GARDNER asked if the new count system would impact funding for intensive needs students. She then inquired as to the impact this proposed count system would have on rural schools. She surmised that those rural students who come into the urban hubs in the winter and then return to and re-enroll in the rural schools in the spring would be advantageous for the funding level of rural schools while disadvantageous for the urban hubs.

9:58:39 AM

MR. JEANS explained that currently the count occurs in October as that's typically the peak of enrollment in the school districts throughout the state. He related his belief that an average would result in fewer students being funded through the foundation program. February was chosen in order to place some distance between the count date and the holidays without having too much distance and allowing for time to analyze the data and recalculate each district's state aid. He said he wasn't sure that the count would quite cover those students who return to the rural areas in the spring. Clearly, the average attempts to provide better insight into the overall school year population as opposed to "pick and repeat." The count would include intensive needs students as it's an entire student count.

9:59:55 AM

CHAIR SEATON surmised then that this student count system would more reasonably direct the funds to the location where the students are actually attending.

MR. JEANS said he believes that would be the case. In further response to the earlier question regarding intensive needs students, he related that the department has reviewed the movement of intensive needs students from year to year and determined the movement is minimal. In fact, of the 1,900 intensive needs students in Alaska, about 25-30 students move after the current count date.

[10:01:14 AM](#)

CHAIR SEATON announced that HB 215 would be held over.

[10:01:20 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 10:01 a.m.