

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

February 26, 2010
8:09 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Bryce Edgmon
Representative Wes Keller

COMMITTEE CALENDAR

HOUSE BILL NO. 297

"An Act establishing the governor's performance scholarship program and relating to the program; establishing the governor's performance scholarship fund and relating to the fund; relating to student records; making conforming amendments; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 350

"An Act relating to the local contribution to public school funding; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 297

SHORT TITLE: POSTSECONDARY SCHOLARSHIPS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/19/10	(H)	READ THE FIRST TIME - REFERRALS
01/19/10	(H)	EDC, FIN
02/03/10	(H)	EDC AT 8:00 AM BARNES 124
02/03/10	(H)	Heard & Held
02/03/10	(H)	MINUTE(EDC)
02/12/10	(H)	EDC AT 8:00 AM CAPITOL 106

02/12/10 (H) Heard & Held
 02/12/10 (H) MINUTE(EDC)
 02/15/10 (H) EDC AT 8:00 AM CAPITOL 106
 02/15/10 (H) Heard & Held
 02/15/10 (H) MINUTE(EDC)
 02/17/10 (H) EDC AT 8:00 AM CAPITOL 106
 02/17/10 (H) Heard & Held
 02/17/10 (H) MINUTE(EDC)
 02/19/10 (H) EDC AT 8:00 AM CAPITOL 106
 02/19/10 (H) Heard & Held
 02/19/10 (H) MINUTE(EDC)
 02/22/10 (H) EDC AT 8:00 AM CAPITOL 106
 02/22/10 (H) Heard & Held
 02/22/10 (H) MINUTE(EDC)
 02/26/10 (H) EDC AT 8:00 AM CAPITOL 106

BILL: HB 350

SHORT TITLE: PUBLIC SCHOOL FUNDING: LOCAL CONTRIBUTION
 SPONSOR(S): EDUCATION

02/17/10 (H) READ THE FIRST TIME - REFERRALS
 02/17/10 (H) EDC, FIN
 02/17/10 (H) EDC AT 8:00 AM CAPITOL 106
 02/17/10 (H) <Bill Hearing Rescheduled to 02/19/10>
 02/19/10 (H) EDC AT 8:00 AM CAPITOL 106
 02/19/10 (H) Heard & Held
 02/19/10 (H) MINUTE(EDC)
 02/22/10 (H) EDC AT 8:00 AM CAPITOL 106
 02/22/10 (H) <Bill Hearing Rescheduled to 02/26/10>
 02/26/10 (H) EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

CARL ROSE, Executive Director
 Association of Alaska School Boards (AASB)
 Juneau, Alaska
POSITION STATEMENT: Testified in support of HB 297.

EDDY JEANS, Director
 School Finance and Facilities Section
 Department of Education and Early Development (EED)
 Juneau, Alaska
POSITION STATEMENT: Responded to questions on HB 297.

DIANE BARRANS, Executive Director
 Alaska Commission on Postsecondary Education (ACPE)
 Department of Education and Early Development

Juneau, Alaska

POSITION STATEMENT: During hearing of HB 297, answered questions.

LARRY LEDOUX, Commissioner
Department of Education and Early Development
Anchorage, Alaska

POSITION STATEMENT: During hearing of HB 297, answered questions.

MYRL THOMPSON, Chair,
Legislative Committee
Matanuska-Susitna Borough School Board
Palmer, Alaska

POSITION STATEMENT: Expressed opposition to Section 4 of HB 350.

CARL ROSE, Executive Director
Association of Alaska School Boards (AASB)
Juneau, Alaska

POSITION STATEMENT: Expressed concerns with HB 350.

ACTION NARRATIVE

[8:09:27 AM](#)

CHAIR PAUL SEATON called the House Education Standing Committee meeting to order at 8:09 a.m. Representatives Seaton, Gardner, Buch, and Wilson were present at the call to order. Representative Munoz arrived as the meeting was in progress.

HB 297-POSTSECONDARY SCHOLARSHIPS

[8:09:47 AM](#)

CHAIR SEATON announced that the first order of business would be HOUSE BILL NO. 297, "An Act establishing the governor's performance scholarship program and relating to the program; establishing the governor's performance scholarship fund and relating to the fund; relating to student records; making conforming amendments; and providing for an effective date."

[8:10:43 AM](#)

The committee took an at-ease from 8:10 a.m. to 8:11a.m.

[8:11:24 AM](#)

CHAIR SEATON continued with public testimony.

[8:11:46 AM](#)

CARL ROSE, Executive Director, Association of Alaska School Boards (AASB), stated support for HB 297, and declared that anytime there is assistance provided for young people to attend college it is a good idea. The association does have concern for every district to provide the means for students to meet all of the requirements. Educational opportunities are being expanded via digital learning, and virtual school initiatives, which will be helpful in addressing these concerns.

REPRESENTATIVE BUCH reported that the Bush caucus has expressed concern regarding the workability of this program in rural Alaska, and the committee is addressing that issue.

[8:14:21 AM](#)

CHAIR SEATON clarified that two educational tracks are proposed for the scholarship program to provide support for students following an academic education or choosing to enter a career technical institution. He asked whether these tracks have been discussed and are supported by AASB.

MR. ROSE said, "Yes."

[8:15:15 AM](#)

REPRESENTATIVE GARDNER indicated that the companion bill, in the Senate, is different, particularly regarding the math requirement.

[8:15:41 AM](#)

MR. ROSE noted that the association did discuss that variant as a fundamental aspect. The University of Alaska (UA) system has cited math as the number one factor for a student not completing a degree.

[8:16:39 AM](#)

CHAIR SEATON closed public testimony.

[8:16:44 AM](#)

CHAIR SEATON moved to take from the table Amendment 3, labeled 26-GH2771\A.9, Mischel, 2/16/10, tabled at the 2/17/10 meeting, which read [original punctuation provided]:

Page 6, lines 3 - 4:

Delete "university or college in this state"

Insert "postsecondary institution as described in AS 14.43.835"

Page 6, line 8:

Delete "university or college"

Insert "postsecondary institution"

Page 7, line 5, following "maximum awards":

Insert "and allowable uses"

Page 7, line 12, following "achievement;":

Insert "for purposes of this paragraph, a student's academic achievement must be determined by the student's high school grade-point average and score on an examination described in AS 14.43.820(b)(3);"

Page 7, lines 16 - 18:

Delete all material and insert:

"(3) subject to (e) of this section, a student who qualifies for a merit-based academic scholarship may apply the award to the costs of attending a qualified career and technical school program as described in AS 14.43.835(a)(2);"

Page 7, lines 27, following "courses":

Insert ", or for up to two calendar years of attendance at a qualified career and technical school"

[8:17:08 AM](#)

REPRESENTATIVE P. WILSON objected for discussion.

The committee took an at-ease from 8:17 a.m. to 8:18 a.m.

[8:18:11 AM](#)

CHAIR SEATON said this amendment will allow either award, the merit-based or performance scholarship of any level, to be used

at either a vocational or an academic college of the student's choice.

[8:18:43 AM](#)

REPRESENTATIVE P. WILSON questioned whether the intention is to ensure that the institution is accredited or certified.

CHAIR SEATON said a qualified student should be allowed to use the award at the institution of the student's choice, and not be restricted to a college or university. A student may earn the highest academic award, but may choose to attend a vocational institute. The amendment will allow a student to pursue his/her personal goals at a Department of Labor & Workforce Development (DLWD) accredited/certified postsecondary institution.

[8:20:39 AM](#)

REPRESENTATIVE P. WILSON clarified that the bill will stipulate that the institution will be qualified by DLWD.

[8:21:00 AM](#)

REPRESENTATIVE MUNOZ stated her original understanding was that a student receiving an academic award could use the scholarship to attend a vocational institution. She expressed concern that the amendment may not achieve that intent.

[8:21:31 AM](#)

REPRESENTATIVE GARDNER pointed out that Amendment 3 does provide appropriate flexibility.

[8:22:12 AM](#)

REPRESENTATIVE BUCH, referring to Amendment 3, page 1, line 3, indicated that the qualifications are set forth in the referenced statute.

[8:22:56 AM](#)

REPRESENTATIVE P. WILSON commented on the importance of not prioritizing college over a vocational school, in the GPS.

CHAIR SEATON declared that the intent is to allow someone who attains the most rigorous scholarship level free choice for applying the award.

[8:24:17 AM](#)

REPRESENTATIVE MUNOZ asked if the program will have two application tracks, or will a student who achieves a certain academic level be automatically considered for a corresponding award.

CHAIR SEATON said there are specific curriculum requirements, and those taking the most rigorous courses will be able to apply the award to the program of their choice. Some of the technical schools are as expensive as those schools offering an academic degree.

REPRESENTATIVE MUNOZ inquired as to whether two separate applications will be involved when a student submits criteria to receive this scholarship.

CHAIR SEATON responded that a student will submit an application, for a GPS, in the student's senior year of high school. There may be two basic sets of curriculum from which a student can choose when preparing for their career: a standard course plan, or a rigorous course of study. A student may have more options if he/she chooses to take the rigorous course over the standard plan. He pointed out that a student who takes the current requirements to earn a high school diploma will not qualify for a GPS.

[8:28:33 AM](#)

REPRESENTATIVE MUNOZ stated her need to further understand the amendment.

[8:28:51 AM](#)

CHAIR SEATON clarified that passing Amendment 3 will not preclude a future amendment.

[8:29:13 AM](#)

REPRESENTATIVE P. WILSON removed her objection.

[The objection by Representative Munoz at the 2/17/10 hearing was treated as withdrawn.]

CHAIR SEATON, hearing no further objection, announced that Amendment was 3 adopted.

The committee took an at-ease from 8:29 a.m. to 8:30 a.m.

[8:30:22 AM](#)

CHAIR SEATON stated that Amendment 4 was withdrawn from consideration.

[8:30:49 AM](#)

The committee took an at-ease from 8:30 a.m. to 8:31 a.m.

[8:31:31 AM](#)

CHAIR SEATON rescinded the previous statement and announced that Amendments 4, 5, and 6 [text included in the 2/17/10 meeting minutes] would remain on the table. He then announced that Amendment 7 is withdrawn. [Amendment 7, with the same text, was later reintroduced in this meeting and numbered Amendment 12.]

[8:32:52 AM](#)

CHAIR SEATON moved to take from the table Amendment 8, labeled 26-GH2771\A.16, Mischel, 2/18/10, tabled at the 2/19/10 meeting, which read [original punctuation provided]:

Page 3, line 14, following "established":

Insert "for the purpose of ensuring that a rigorous curriculum is available in all high schools in the state and"

Page 4, line 16, following "opportunities":

Insert ";

(9) providing a rigorous curriculum in all high schools in the state"

REPRESENTATIVE MUNOZ objected for discussion.

The committee took an at-ease from 8:33 a.m. to 8:34 a.m.

[8:34:07 AM](#)

REPRESENTATIVE GARDNER asked about the impact of Amendment 8.

CHAIR SEATON said that one of the purposes for the bill is to provide a rigorous curriculum, but it was not stipulated in the bill that required courses would be available in all high

schools in the state. This amendment will rectify that oversight.

8:35:40 AM

REPRESENTATIVE MUNOZ withdrew her objection to Amendment 8.

[The objection by Representative P. Wilson at the 2/19/10 meeting was treated as withdrawn.]

CHAIR SEATON, hearing no further objection, announced that Amendment 8 was adopted.

8:36:25 AM

REPRESENTATIVE GARDNER moved to take from the table Amendment 9, labeled 26-GH2771\A.10, Chenoweth, 2/17/10, tabled at the 2/19/10 meeting, which read [original punctuation provided]:

Page 10, line 1, following "error":

Insert "less any scholarship award payments previously expended if the error in the award of the scholarship was not due to any fault of the student"

REPRESENTATIVE P. WILSON objected for discussion.

REPRESENTATIVE GARDNER directed attention to HB 297, pages 9 and 10, lines 31 and 1 respectively, and read:

(c) A student who is awarded a scholarship in error shall be required to refund to the state the amount of the scholarship awarded in error.

REPRESENTATIVE GARDNER argued that if an award is made in error through no fault of the student, the money is used, it would not be fair for the student to be liable for repayment. She used the example of the state miscalculating a GPA, thus awarding an inappropriate amount, which is discovered later during a program audit. The student would have been acting in good faith and utilizing the funds appropriately, but ending up with an unexpected debt. Certainly, she said if it is discovered in a timely manner, any unspent portion of the award could be withdrawn by the state.

8:37:41 AM

EDDY JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (EED), said that the department has not taken a position on this Amendment 9. He pointed out that once the scholarships are awarded they will be administered by the Alaska Commission on Postsecondary Education (ACPE), and deferred to the ACPE.

CHAIR SEATON indicated that ACPE has not provided a comment for the committee's consideration on Amendment 9. He stated his hesitancy to impune that a problem exists, lacking input from the department.

[8:39:46 AM](#)

REPRESENTATIVE GARDNER indicated it is an area that has not been addressed, and stated her hope that these types of errors do not occur.

[8:40:41 AM](#)

REPRESENTATIVE P. WILSON removed her objection to Amendment 9.

[The objection by Chair Seaton at the 2/19/10 hearing was treated as withdrawn.]

CHAIR SEATON stated his understanding that false information submitted by a student, would be considered the fault of that student.

REPRESENTATIVE GARDNER concurred, and clarified that the intent of Amendment 9 is to hold harmless a student who is not involved in creating the error.

[8:42:08 AM](#)

CHAIR SEATON, hearing no further objection, announced that Amendment 9 was adopted.

[8:42:21 AM](#)

REPRESENTATIVE GARDNER moved to take from the table Amendment 10, labeled 26-GH2771\A.17, Mischel, 2/18/10, tabled at the 2/19/10 meeting with an objection pending, which read [original punctuation provided]:

Page 3, lines 16 - 19:

Delete "The program includes a merit-based academic scholarship and a merit-based career and technical school scholarship. The merit-based academic scholarship consists of three levels of awards. The merit-based career and technical school scholarship consists of one level of award."

Page 5, line 17:

Delete "**an academic**"
Insert "**a performance**"

Page 5, line 18:

Delete "academic"
Insert "performance"

Page 5, line 21:

Delete "academic"
Insert "performance"

Page 5, lines 29 - 30:

Delete "academic scholarship"
Insert "scholarship award"

Page 6, lines 2 - 3:

Delete "academic scholarship"
Insert "scholarship award"

Page 6, lines 3 - 4:

Delete "university or college in this state"
Insert "postsecondary institution as described in AS 14.43.835"

Page 6, line 8:

Delete "university or college"
Insert "postsecondary institution"

Page 6, line 11, through page 7, line 15:

Delete all material and insert:

"Sec. 14.43.825. Maximum awards. (a) Subject to (b) - (f) of this section, the maximum awards under the program are

(1) for a student who demonstrates very high academic achievement, the cost of approved tuition for a full-time student in school year 2009 through 2010 at the qualified postsecondary institution at which the student intends to enroll;

(2) for a student who demonstrates high academic achievement, 75 percent of approved tuition for a full-time student in school year 2009 through 2010 at the qualified postsecondary institution at which the student intends to enroll;

(3) for a student who demonstrates moderate academic achievement, 50 percent of approved tuition for a full-time student in school year 2009 through 2010 at the qualified postsecondary institution at which the student intends to enroll."

Page 7, line 16:

Delete "(3) a"

Insert "(b) A"

Reletter the following subsections accordingly.

Page 7, line 19:

Delete "merit-based academic"

Page 7, line 25:

Delete "merit-based academic"

Page 7, line 27:

Delete "university or college"

Insert "postsecondary institution as described in AS 14.43.835"

Page 7, lines 27 - 29:

Delete "A student receiving a merit-based career and technical scholarship may remain eligible for two calendar years of attendance at a qualified career and technical school. A student may not receive both an academic and a career and technical scholarship"

Insert "A student may not receive more than one scholarship award"

REPRESENTATIVE P. WILSON renewed her objection to Amendment 10.

[8:42:45 AM](#)

REPRESENTATIVE GARDNER said she is troubled by the two distinctive educational tracks that are presented in the bill. She opined that it is important to provide pupils choices, which may be changeable; a commitment to one track may not remain the suitable choice as a student matures. Parents and educators should be opening doors for students, and she espoused

eliminating the two track system and simply having a GPS will accomplish that effort. When the award is provided, a student should be able to begin an academic track in college, switch to a vocational institute, or move back and forth during the eight semesters covered by the scholarship. The award amount should reflect the student's merit level, and be applied to the tuition costs of the institution the student is attending during any given semester; not necessarily the same amount.

[8:44:26 AM](#)

CHAIR SEATON requested further information on how the financial distribution would be handled in the scenario presented.

REPRESENTATIVE GARDNER explained that if a student has a 50 percent award level to the University of Alaska Anchorage (UAA), and decides to go to a vocational institution, the funding would be adjusted to the 50 percent rate at the vocational school. One of the concerns has been that career schools would consider raising tuition, in anticipation of the state funding via this legislation. She directed attention to Amendment 10, page 2, line 20, to indicate the language, included to inhibit such action.

CHAIR SEATON clarified his understanding that a student would receive an award based on the tuition charged at the institution that the student has chosen to attend.

[8:46:53 AM](#)

REPRESENTATIVE GARDNER restated that the intent of the amendment is not to adjust the academic award amount, but rather to "put a lock on the tuition for the vocational career." Further intent is to allow students to keep their options open. She opined that the core of the bill should not be about awarding college scholarships, but should be about reforming the K-12 educational culture to help students make future plans, choose a rigorous curriculum, and have flexible options. She opined that having to choose and adhere to a particular track, early in a student's school career, may be constraining as the student approaches postsecondary readiness. Additionally, she stated her belief that every student should be required to take the same standard of academic curriculum.

[8:48:38 AM](#)

REPRESENTATIVE GARDNER drew attention to the committee packet and the EED correspondence labeled "Responses to Questions from (H)EDC Members from 2/12/2010 Hearing," dated 2/16/10, pages 3-5 relate the American College Testing (ACT) percentiles listed by state, and focused primarily on the column headed "% of Graduates tested." The data indicates that only 29 percent of Alaskan graduates take the ACT while 99 percent of graduates in Wyoming take the ACT and their scores are slightly less than those of Alaskan graduates. She suggested comparing the score data of Alaska and Wyoming because the Hathaway Program has been implemented in Wyoming, which requires similar rigorous curriculum standards as those proposed in the GPS. One difference is that, in Wyoming, every student is required to take the rigorous curriculum. With proper preparation and commitment, she opined, Alaskan students can take four years of math, whether they see themselves as academic, career, or vocational achievers; it will prepare them to reach for the highest goal, direction, or dream.

[8:50:43 AM](#)

REPRESENTATIVE P. WILSON agreed that high school students need to be challenged, throughout their school career.

REPRESENTATIVE GARDNER declared that the cited document is the most exciting information that she has received during her two-year tenure serving on this committee. She said:

Ninety-nine percent of students in Wyoming taking the ACT. Awesome. That's what I want for Alaskan [students], four years of high school math. And if we're not going to change our high school graduation requirements, let's at least offer them a way to see it and to do it.

[8:51:51 AM](#)

REPRESENTATIVE MUNOZ agreed with the intent of simplifying the program and providing one GPS award. She stated concern for not maintaining consistency in the dollar amount awarded, having it vary depending on the institution attended.

[8:52:35 AM](#)

REPRESENTATIVE GARDNER said, as sponsor, she would not object to changing that part of the amendment. However, she cautioned against putting the state in a position of awarding tuition

beyond what is actually needed. It may be a matter of simply deleting the language that includes the tuition maximum awards.

[8:53:04 AM](#)

CHAIR SEATON offered that the bill does have an award provision, which is fixed at a percentage of an amount for the performance scholarship and a \$3,000, per year maximum, for the career technical [scholarship]. It is stipulated that the amount awarded cannot be greater than what is charged by the institution.

[8:53:35 AM](#)

REPRESENTATIVE GARDNER welcomed a friendly amendment to the amendment.

[8:53:58 AM](#)

CHAIR SEATON pointed out that the high school graduation requirements have not been changed, and conjectured that perhaps that is what is attempting to be accomplished through Amendment 10. It would require every student to take four years of math, regardless of the track the student chooses. He said he did not object, however, to the current structure of the bill which allows the 70 percent of students, who are not college bound, to have a means to receive a scholarship for a vocational education. The amendment would remove that possibility, by requiring that every student take four years of math; unless the math courses are not stipulated. A student could choose from a variety of math courses. The bill stipulates that the academic track math courses will be higher math, such as geometry, trigonometry, and calculus. The vocational technical track requires four years of math, also, but will consist of courses such as business math. If the requirement to earn the GPS is based only on the GPA, without stipulated courses, a student may decide that he/she can maintain a higher GPA, thus qualifying for a higher GPS award, by taking less rigorous math courses. Segregating the vocational and academic class structures does not prevent a student from choosing rigorous courses, but it does allow a vocational student the possibility of earning an award without taking higher math courses.

[8:57:23 AM](#)

REPRESENTATIVE BUCH noted that it is a complex issue and the bill function is twofold: a scholarship and how to construct

it. The curriculum will be established by the department, and course design will address a student's interest. The award amount is a separate question, and the qualifying student should be eligible for the cost of the education, regardless of whether it's the academic track or the vocational education track. "There shouldn't be a distinction between the types of education we're offering; it should be a choice that's made by the student," he opined. He then reminded members that Amendment 10 addresses curriculum requirements.

CHAIR SEATON agreed that both price and curriculum are contained in the amendment, and suggested that the entities be kept separate to avoid confusion.

[9:01:10 AM](#)

REPRESENTATIVE MUNOZ said that an assumption is being made that vocational education math requirements would be less than what is required for an academic career. She said that is an erroneous assumption, and asked the amendment sponsor to provide language to clarify the intent and include flexibility of curriculum.

[9:01:57 AM](#)

REPRESENTATIVE P. WILSON opined that having two different math tracks is not a good approach. She emphasized that the approach shouldn't be "dumbed down."

CHAIR SEATON maintained that requiring four years of math means a student's fourth year will be pre-calculus. Because a high school diploma only requires two years, many students will be eliminated from applying for the GPS. The options will be limited to either two years of math or four years of rigorous math. He opined that there will be no incentive for students who do not want to take pre-calculus, to have access to the GPS or a different scholarship program.

REPRESENTATIVE P. WILSON held her opinion that if there is only one track it wouldn't matter.

CHAIR SEATON insisted that establishing a single track [makes the GPS] unachievable for many students, because students who do not take the highest level of math courses won't qualify for the possibility of an award.

REPRESENTATIVE P. WILSON said it should be achievable.

[9:05:16 AM](#)

CHAIR SEATON said that students make different choices; making this requirement will eliminate choice and may exclude some students. He provided an example of a student deciding to take applied mathematics, or business math, rather than pre-calculus, and underscored what is considered rigorous for an academic degree may be different than what is rigorous for a vocational certificate. He stated his belief that only 30 percent of students will continue education at a college, and the other 70 percent should also have the possibility of receiving an award from the state to complete the training of their choice.

[9:06:36 AM](#)

REPRESENTATIVE P. WILSON surmised that it's being assumed that a properly prepared student cannot handle four years of math at the high school level.

CHAIR SEATON clarified that both scholarship tracks require four years of math, and the difference will be the specific courses. The question is whether the math courses have more application and desirability to a full segment of the students that exist or will only the students who leave high school with pre-calculus count.

[9:07:26 AM](#)

REPRESENTATIVE GARDNER clarified that the Hathaway system has three levels: the top two require four years of math, the third level requires two. She offered to withdraw Amendment 10. Further, she said she would research, and report to the committee, what math classes are offered in Alaska's schools.

CHAIR SEATON pointed out that the rigor required in the GPS requires four years of math. The intent is that the four years of math won't necessarily be the four years of math required for the GPS.

REPRESENTATIVE P. WILSON opined that those students who take the less rigorous math courses will automatically not be eligible for the college scholarship.

[9:08:56 AM](#)

REPRESENTATIVE GARDNER directed attention to the Executive Summary Introduction, American Institutes for Research, page 1, paragraph 1, paraphrasing the text, which read [original punctuation provided]:

Singaporean students ranked first in the world in mathematics on the Trends in International Mathematics and Science Study-2003; U.S. students ranked 16th out of 46 participating nations at grade 8 (Mullis, et al, 2004). Scores for U.S. students were among the lowest of all industrialized countries. Because it is unreasonable to assume that Singaporean students have mathematical abilities inherently superior to those of U.S. students, there must be something about the system that Singapore has developed to teach mathematics that is better than the system we use in the United States.

[9:09:47 AM](#)

REPRESENTATIVE GARDNER touted the need to emphasize math and science education, and paraphrased quotes further in the document, which read:

When I compare our high schools to what I see when I'm traveling abroad, I am terrified for our workforce of tomorrow. - Bill Gates, Chairman and Chief Software Architect of Microsoft Corporation

Where once nations measured their strength by the size of their armies and arsenals, in the world of the future knowledge will matter most. - President Clinton

Science and technology have never been more essential to the defense of the nation and the health of our economy. - President George W. Bush

[9:10:10 AM](#)

CHAIR SEATON asked the department to comment.

MR. JEANS referred to the comparison of the Alaska and Wyoming ACT performance outcomes, and said that the GPS was modeled after the Wyoming program, which does have two tracks. The department will establish mathematical requirements to present to the state board. The tracks will require the same math classes until the fourth year, and that is when the opportunity

to select enters. A student planning to attend college would choose a college preparation course, and one planning to enter a vocational field might choose business math. He assured the committee that it is not about dumbing down math for one track over another; both will involve rigor. The previous amendment provides the best of both worlds, he said.

REPRESENTATIVE P. WILSON, provided the aforementioned understanding, opined that it does not present a problem.

[9:12:55 AM](#)

MR. JEANS indicated that it is the intent of the department to take rigorous course requirements to the state board, as recommendations for structuring the GPS curriculum. Following the department's recommendations the state board will follow the regulatory process, which encompasses public review and hearings.

CHAIR SEATON said it is helpful to understand what courses the department plans to consider as requirements for these tracks. Perhaps that can be provided to the committee by the commissioner.

[9:14:37 AM](#)

REPRESENTATIVE P. WILSON asked if the requirements for science, language, and social studies will also be the same for the first three years, for both tracks.

MR. JEANS replied that social studies will require U.S. History and Alaskan History, prior to electives being available, but declined comment regarding the other subjects. He pointed out that the GPS, two track system, is based on the Hathaway model, as used in Wyoming, which has reported successful ACT outcomes.

[9:15:40 AM](#)

REPRESENTATIVE GARDNER directed attention to page 5, line 17, "Eligibility for an academic scholarship." and page 6, line 11, "Eligibility for a career and technical school scholarship." and pointed out that the requirements appear to be identical. She asked where the distinction will appear, perhaps in the regulations.

MR. JEANS responded yes, the menu of courses will be established through the regulatory process, and adopted by the state board.

REPRESENTATIVE GARDNER clarified that it will only be the senior year when the electives chosen by a student will determine the student's track, based on the choice of math.

MR. JEANS said the department envisions three years of required math courses, but refrained from describing the sequence of how those requirements will occur.

REPRESENTATIVE GARDNER suggested that the elective option be directed to the senior year, the latest possible branching time. With that, she withdrew Amendment 10 from consideration.

[9:17:42 AM](#)

REPRESENTATIVE BUCH requested that Amendment 11, remain on the table [text provided in the 2/19/10 minutes], at this time.

[9:17:59 AM](#)

CHAIR SEATON moved Amendment 12, labeled 26-GH2771\A.11, Kane, 2/17/10, which read [original punctuation provided]:

Page 4, line 16, following "opportunities":

Insert ";

(9) increasing participation of Alaska high school students in Alaska postsecondary institutions"

[Amendment 12 was originally numbered Amendment 7, which was withdrawn earlier in this meeting.]

REPRESENTATIVE P. WILSON objected for discussion.

[9:19:30 AM](#)

CHAIR SEATON indicated that Amendment 12 deals with stipulating that the intent of the GPS is to increase participation in postsecondary institutions in Alaska.

[9:20:03 AM](#)

REPRESENTATIVE GARDNER surmised that the difference between page 4, line 15, paragraph (8), of the bill, and proposed paragraph (9) is the number of high school students who pursue further education and the number of high school students who pursue further education in Alaska, respectively. Paragraph (8) seems

to indicate the intent to have more students continue education, while proposed paragraph (9) intends to keep them in Alaska.

CHAIR SEATON concurred.

[9:22:08 AM](#)

REPRESENTATIVE WILSON removed her objection.

CHAIR SEATON, hearing no further objection, announced that Amendment 12 was adopted.

[9:22:22 AM](#)

CHAIR SEATON moved to adopt Amendment 13, labeled 26-GH2771\A.21, Mischel, 2/25/10, which read [original punctuation provided]:

Page 5, line 22, following "curriculum":
Insert ", which may include virtual curriculum,"

Page 6, line 17, following "curriculum":
Insert ", which may include virtual curriculum,"

REPRESENTATIVE BUCH objected for discussion.

[9:23:34 AM](#)

REPRESENTATIVE BUCH asked whether by stating "may include" it is at the discretion of the department to allow virtual opportunities, or will it be at the discretion of a school district.

CHAIR SEATON responded that the school districts have the ability to adopt text books and other instructional materials, and Amendment 13 would allow the inclusion of virtual learning opportunities.

[9:24:26 AM](#)

REPRESENTATIVE BUCH expressed concern for ensuring who the overseer will be for inclusion of virtual learning options.

CHAIR SEATON requested comment from the department, and whether virtual courses will also be adopted through similar means as standard curriculum.

MR. JEANS replied that current statute allows local school boards to adopt curriculum and educational materials. The amendment will highlight the fact that educational materials may include virtual curriculum.

[9:25:38 AM](#)

REPRESENTATIVE GARDNER recalled receiving a letter from a school district that related concern for students being siphoned off by another district's virtual program.

CHAIR SEATON said it is not the intention, nor is it indicated, that there would be any change for how curriculum is adopted. The amendment provides for virtual instruction to be adopted and utilized by a school district.

[9:27:00 AM](#)

REPRESENTATIVE BUCH removed his objection.

CHAIR SEATON, hearing no further objection, announced that Amendment 13 was adopted.

[9:27:21 AM](#)

REPRESENTATIVE MUNOZ moved Conceptual Amendment 14.

[9:29:10 AM](#)

REPRESENTATIVE MUNOZ withdrew Conceptual Amendment 14 from consideration, and moved to take from the table Amendment 5, labeled 26-GH2771\A.3, tabled at the 2/17/10 meeting, which read [original punctuation provided]:

Amendment to Page 23, line 16

***Sec. 7.** AS 37.14 is amended by adding new sections to read:

Article 8A. Governor's Performance Scholarship Fund.

Sec. 37.14.750. Governor's performance scholarship fund established. (a) The governor's performance scholarship fund is established as a fund of the state. The fund consists of

(1) appropriations to the fund;
(2) donations to the fund; and
(3) income earned on investments of fund
assets.

(b) The commissioner of revenue shall manage the fund with the goal that the purchasing power of the fund will not diminish over time without regard to additional contributions that may be made to the fund. The commissioner shall invest the assets of the fund in a manner likely to yield at least a five percent real rate of return over time.

(c) donations to the fund from private sources shall be considered for the education tax credit as per AS 43.20.014

[(c)]**(d)** Nothing in this section creates a dedicated fund.

[9:30:22 AM](#)

REPRESENTATIVE BUCH objected for discussion.

[9:30:28 AM](#)

REPRESENTATIVE MUNOZ indicated that the amendment will allow business contributions to the GPS fund, and use the contribution as a tax credit. She asked whether the amendment is necessary or are education tax credit opportunities included in current statute.

REPRESENTATIVE BUCH offered that the GPS appears to be a dedicated fund, which may be problematic per the state's constitution. Although he said he didn't want to lose the opportunity [for business contribution incentives, via tax credits], including it in the bill might require it to be written as a "buy in."

[9:31:46 AM](#)

REPRESENTATIVE GARDNER, referring to lines 16 and 17 of Amendment 5, related her understanding that the language says a taxpayer, instead of paying taxes to the state for general fund inclusion and appropriation by the legislature, chooses to pay it into the education fund. She opined that this would constitute an infringement on the right and responsibility of

the legislature to appropriate funds. Therefore, Representative Gardner stated opposition to Amendment 5.

[9:32:15 AM](#)

CHAIR SEATON pointed out that his office did not generate the research for this amendment, hence he felt unable to offer further clarity for how an education tax credit could be incorporated into the bill. He stated his understanding that it is not officially a dedicated fund and deposits may be used for other purposes.

[9:33:42 AM](#)

REPRESENTATIVE P. WILSON offered a review of statute.

[9:34:13 AM](#)

REPRESENTATIVE BUCH removed his objection.

[The objection by Representative Munoz at the 2/17/10 meetings was treated as withdrawn.]

REPRESENTATIVE MUNOZ withdrew Amendment 5 from consideration.

[9:35:58 AM](#)

DIANE BARRANS, Executive Director, Alaska Commission on Postsecondary Education (ACPE), Department of Education and Early Development, addressed Amendment 9, which created a safe harbor for a student who had received a scholarship award due to an error that wasn't the student's fault. She expressed concern with the possibility of the error resulting in an over award. In the case in which a student receives more funds than he/she should have, whether it is in the merit or needs-based portion, she opined that it would be appropriate to request a refund.

[9:37:06 AM](#)

REPRESENTATIVE GARDNER explained that the intent of Amendment 9 is to provide a safe harbor for the student who is in the aforementioned situation and spent the funds in an appropriate manner. Any award that hasn't been spent by a student in this situation could be reclaimed by the state.

MS. BARRANS said that would not mitigate her concern. Regardless of whether a student who has received more funds than

he/she deserved has spent the funds or not, a refund would be in order, she opined.

[9:37:44 AM](#)

CHAIR SEATON inquired as to the circumstances under which this situation could arise because the funds are directed to the institution.

MS. BARRANS explained that in a situation in which the institution's costs are covered, the remaining financial aid is typically dispensed directly to the student [for third party payment for allowable expenses].

[9:38:48 AM](#)

REPRESENTATIVE GARDNER inquired as to how often overpayment errors occur. She further inquired as to the circumstances surrounding such errors. She expressed concern for a student who receives overpayment that's not due to the student's error and who would then face repaying that debt.

MS. BARRANS characterized this as a policy call. She related her belief that individuals should only receive the benefits to which they are entitled. Regardless of the error, if the student benefited from an error in the form of an overpayment, they should repay it. Ms. Barrans said that she couldn't specify the extent to which over awards occur, but offered to consult with the financial aid officers. An over award to a student can happen when a student is otherwise eligible for financial aid that arrives late, which can result in a redistribution of that student's financial aid package. Therefore, some funding may go back to one source of funding but it's usually replaced by another source of funding. An over award could also occur when a student receives funding based on a full-time program of study from which the student withdraws.

[9:40:52 AM](#)

CHAIR SEATON requested that Ms. Barrans provide the committee with information regarding potential sources [that may cause this] or any clarifying language that she would suggest. He highlighted that [proposed] statute specifies that "fault of the student" means fraud or submission of incorrect information.

REPRESENTATIVE P. WILSON opined that if a student received funds and then withdrew [from the program of study], it would be the student's fault and certainly need to be repaid.

CHAIR SEATON said that he isn't sure that's covered under [Amendment 9].

REPRESENTATIVE BUCH opined that the requested information would be important for fiscal note arguments as the legislation moves forward.

[9:43:32 AM](#)

CHAIR SEATON recalled that questions have arisen regarding how the curriculum is being envisioned for the performance scholarship as well as the vocational technical scholarship, particularly the math and English tracks. He further recalled that there were questions regarding at what point there would be differentiation in the math curriculums. Chair Seaton offered to allow Commissioner LeDoux to answer now or prepare answers to discuss at a later meeting.

[9:45:00 AM](#)

LARRY LEDOUX, Commissioner, Department of Education and Early Development, told the committee that he has drafted a chart of courses that would meet the criteria. He then stated his belief that any student who achieves the academic criteria would qualify for the career scholarship; there isn't a differentiation. The commonality between the two programs, he said, will be in the area of math. The minimum math a student has to take in order to qualify for either scholarship is Algebra I, Algebra II, and geometry. Many schools offer the aforementioned course with nontraditional names. He related that he pointed out to the director of the Alaska Vocational Technical Center (AVTEC) that some would infer that "they should back off," particularly in the area of math and science. The director disagreed, and added that he would even suggest courses that are more rigorous than the colleges. Therefore, the courses for math should be Algebra I, Algebra II, and geometry or something similar as well as some applied course. He noted that many schools are teaching Algebra I in 8th grade, which would qualify toward the high school criteria. Commissioner LeDoux said that he didn't expect students to take calculus or advanced trigonometry for the career scholarship. The science courses for the career track would include Earth science, power mechanics, applied physics, biology, chemistry, physical

science, computer science, physics, fisheries science, and material science. The student would choose any three plus one additional science course. Under the career track, a student could choose from the following math courses: Algebra I, Algebra II, geometry, applied math, business math, analytic geometry, college algebra, calculus, statistics, probability, consumer math, or business math. The student would choose a minimum of three courses from the following math selections. He pointed out that students are already required to take three courses of social studies, and therefore there would be no change. For language arts, instead of course names he wanted to infer that the courses have rigor of reading, writing, listening, and speaking. Within the career track, technical writing and reading are very important courses that employer's desire.

9:48:13 AM

REPRESENTATIVE MUNOZ asked if there will be flexibility for advanced second language classes to achieve [the language arts requirements] or will they all be English courses. She opined that she didn't want to close the door to opportunities for continuing second language education.

COMMISSIONER LEDOUX explained that the state requires four years of language arts, and therefore there's no change with regard to either scholarship program. However, the Senate has proposed a modification of the 4-4-4-3 to 4-3-3-3 course requirement if the student takes two years of foreign language or Alaska Native languages as part of the course of study. Commissioner LeDoux acknowledged that either would meet the rigorous goals, but pointed out that research illustrates that four years of math and four years of science are huge indicators for success in college. On the other hand, college prep programs often include two years of foreign language. Furthermore, some merit scholarship programs require 4-4-4-3 plus two years [of foreign language]. Most students who are preparing for college take two years of foreign language because many colleges require it.

9:49:44 AM

CHAIR SEATON requested the proposed curriculum list.

COMMISSIONER LEDOUX agreed to do so upon completing the list. He then pointed out that the department will work with districts to ensure that the courses meeting the criteria also meet the

rigor necessary. The content, not the title, of the course will determine whether it meets the rigor requirement, he noted.

[9:50:43 AM](#)

REPRESENTATIVE BUCH related that some have advocated having another year of social studies, which would total four years of social studies. He mentioned the need for the curriculum to provide opportunities to allow students to [take] Native arts and language [courses] for those who choose a different path because they lack a propensity for math and science. He asked if the department would be amenable to the aforementioned.

COMMISSIONER LEDOUX indicated that he would need to see [such a program]. However, he opined that there are students who aren't as oriented toward math and science as others and their particular course of study won't require certain levels of math. On the other hand, Commissioner LeDoux opined that the state's requirements are not that difficult to meet. He further opined that four years of math isn't excessive. Commissioner LeDoux related his understanding that Representative Buch was suggesting that the math and science requirements would be lowered while increasing the social science requirements.

REPRESENTATIVE BUCH disagreed, and clarified that he's suggesting maintaining the current math, science, and social studies requirements and require a fourth year. However, he suggested that within the [social studies] realm there would be other opportunities for selection of the course curriculum.

COMMISSIONER LEDOUX pointed out that within social studies, one-and-a-half of the three courses required are required. He specified that U.S. History, one credit, and half a course in Alaska Studies/or proof that the standards have been integrated into the programming. Increasing the standard to four will result in the student having two-and-a-half years of electives within the social sciences category. The state, he related, has attempted not to be too restrictive in terms of graduation requirements so that students are provided as much choice as possible. Therefore, care has to be taken with the scholarship so that students' choices aren't restricted either. He explained that a breakdown of 4-4-4 results in less choice. However, Commissioner LeDoux said that more rigor is good and thus he isn't opposed to Representative Buch's suggestion.

[9:53:47 AM](#)

CHAIR SEATON stated that HB 297 would be held for further consideration.

HB 350-PUBLIC SCHOOL FUNDING: LOCAL CONTRIBUTION

[9:54:06 AM](#)

CHAIR SEATON announced that the final order of business would be HOUSE BILL NO. 350, "An Act relating to the local contribution to public school funding; and providing for an effective date."

[9:54:36 AM](#)

MYRL THOMPSON, Chair, Member, Legislative Committee, Matanuska-Susitna Borough School Board, directed attention to the graphs that he provided the committee. The graphs illustrate the continued and rapid growth of enrollment and the upward trend of property tax assessments. The aforementioned presents some unique problems for the school district. In the Matanuska-Susitna Borough School District there are 43 schools and 60-plus portables are being used as classrooms. Therefore, the Matanuska-Susitna Borough School Board opposes Section 4 of HB 350. Section 4 would change the structure from the base, which allowed for 50 percent forgiveness on the growth of the assessments over the years. The original base helped the [district] immensely and losing the additional funding [provided by the original base] would be difficult for the district. Mr. Thompson acknowledged that there are always problems with funding, but there are funding adjustments that assist districts. For instance, small schools are adjusted for size, which provides them a break. He said that if there was more time to review HB 350, perhaps a moving base could be developed as opposed to [basing the funding] on the previous year.

[9:58:00 AM](#)

REPRESENTATIVE P. WILSON inquired as to the tax structure in the Matanuska Susitna Borough.

MR. THOMPSON informed the committee that the Matanuska Susitna Borough is the size of West Virginia, and therefore the schools are spread throughout. The [tax burden] is placed on the property taxpayer. The borough includes a lot of vacant land for which the taxes have increased. Furthermore, the borough has many retired residents as well as elderly residents who are on a fixed income. He characterized the area as a bedroom

community without much industry. Therefore, it's difficult to raise taxes in the area.

[10:00:08 AM](#)

REPRESENTATIVE P. WILSON surmised then that the borough hasn't been able to increase its taxes, and thus the borough's revenues have stayed flat.

MR. THOMPSON clarified that he can't say revenue is flat, but the district has received an increase in revenue in the amount of less than 1 percent. He reiterated that the district has 60 portables, which amounts to eight large-sized elementary schools in portables or two very large-sized high schools in portables. Therefore, if the district had more funds it would build more schools.

[10:00:56 AM](#)

MR. THOMPSON, in response to Chair Seaton, clarified that he is only concerned with Section 4.

[10:01:42 AM](#)

CARL ROSE, Executive Director, Association of Alaska School Boards (AASB), opined that HB 350 will impact those districts in the Railbelt considerably. He stated that although he isn't prepared to take a supportive position on HB 350, he recalled serving on the funding task force when this issue was discussed. He then directed attention to the last sentence of the sponsor statement, which says HB 350 sets a uniform mill rate at the lowest current rate so no district will have to pay more than its current local tax mill rate. However, it should refer to the municipality rather than the district not having to pay more than its current local tax mill rate because districts are the recipients of the local contribution.

[10:03:20 AM](#)

MR. ROSE, referring to the chart of state costs from the Department of Education and Early Development (EED) updated 10/22/09, told the committee that he was present when the foundation formula was established and later amended. He opined that at that time, no one recognized that the \$3 million in fiscal year (FY) 2000 would triple in the second year. Although it didn't compound all the way through, it was rapid growth to this year's \$77 million. The concern, he related on behalf of

the task force, was that this growth seems to be uncontrollable and thus has to be addressed at some point. Although HB 350 attempts to address the growth, it inevitably creates some problems as related by Mr. Thompson. Upon review of this chart, it appears that everyone will be held harmless at the \$77 million level in FY 11. The fiscal note illustrates that the state will need to put up an additional \$21 million to mitigate the 2.7 mill rate. The aforementioned is a positive move if the goal is to mitigate the escalating cost of this legislation. However, most of the AASB membership can't calculate the impact of HB 350 in subsequent years. He opined that it would be safe to say that freezing the base at the \$77 million level on an ongoing basis and continue to pay the \$21 [million] possibly into FY 16 is one way to mitigate the unpredictable costs to the state. Mr. Rose further opined that by putting this in statute, a need has been created and people depend upon the funds and implementation of the proposal in HB 350 will certainly elicit a human cry from certain areas of the state.

MR. ROSE informed the committee that when the [foundation formula] legislation was placed in statute, it included a date - the base year of 1999. He noted the different impact on the AASB membership. While some of the small communities haven't grown and thus pay the full portion under the 4 mill and the 2.7 mill rate, some school districts have grown considerably. Over the past 10 years, a need has been developed and it may be difficult to mitigate that all at once if the public policy is to arrest the impacts of this clause in the foundation formula without disturbing local communities that are dependent upon it. Mr. Rose suggested that moving the base to a prior year would have a significant impact on the amount of money available to municipalities for the local contribution in the future. Although this isn't a surprise, it's a tough policy call. In conclusion, Mr. Rose opined that if this issue isn't addressed it will become a "runaway train." However, if the issue is going to be addressed it must be done in a way that allows the communities to ramp down to the level proposed. He reiterated that AASB doesn't know what HB 350 will mean and there's no knowledge what the impact will be in the second, third, and fourth year after the first year when districts are held harmless.

[10:10:14 AM](#)

REPRESENTATIVE P. WILSON commented that many of the communities that have not grown have lost population, such as Wrangell. Wrangell, she estimated, has lost probably 20 percent of its

student population [over the last 10 years] and one-third of its teachers. However, the district still has to provide the school and services. Although Wrangell is under the 4 mill base, it has had to increase its mill rate and sales tax because there aren't enough funds to meet the 4 mills and other community necessities. In Wrangell the mill rate totals 11.5 mills, but the sales tax is 7 percent. The communities that aren't growing don't believe it's fair that the growing communities are receiving breaks while they don't and continue to provide school services.

[10:12:25 AM](#)

CHAIR SEATON stated that public testimony would remain open, and HB 350 would be held over.

[10:12:29 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 10:12 a.m.