

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 9, 2010

3:31 p.m.

MEMBERS PRESENT

Senator Donald Olson, Chair
Senator Joe Thomas, Vice Chair
Senator Hollis French
Senator Albert Kookesh
Senator Linda Menard

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Paskvan
Representative Guttenberg

COMMITTEE CALENDAR

Presentation on Fairbanks LBC Annexation
HEARD

SENATE BILL NO. 109

"An Act repealing the secondary student competency examination and related requirements; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 109

SHORT TITLE: REPEAL SECONDARY SCHOOL EXIT EXAM

SPONSOR(s): SENATOR(s) DAVIS

02/17/09	(S)	READ THE FIRST TIME - REFERRALS
02/17/09	(S)	EDC, CRA, FIN
03/16/09	(S)	EDC AT 8:00 AM BELTZ 211
03/16/09	(S)	Heard & Held
03/16/09	(S)	MINUTE(EDC)
04/01/09	(S)	EDC AT 8:00 AM BELTZ 211
04/01/09	(S)	Heard & Held
04/01/09	(S)	MINUTE(EDC)

10/23/09 (S) EDC AT 3:00 PM Anch LIO Rm 220
10/23/09 (S) Heard & Held
10/23/09 (S) MINUTE(EDC)
01/29/10 (S) EDC AT 8:00 AM FAHRENKAMP 203
01/29/10 (S) Heard & Held
01/29/10 (S) MINUTE(EDC)
02/01/10 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/01/10 (S) Moved SB 109 Out of Committee
02/01/10 (S) MINUTE(EDC)
02/03/10 (S) EDC RPT 3DP 1NR
02/03/10 (S) DP: THOMAS, MEYER, DAVIS
02/03/10 (S) NR: OLSON
02/09/10 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

BRENT WILLIAMS, Staff
Local Boundary Commission (LBC)
Department of Commerce, Community and Economic Development
(DCCED)
POSITION STATEMENT: Provided information on the Fairbanks
annexation.

LYNN CHRYSTAL, Commissioner and Chairman
Local Boundary Commission
Department of Commerce, Community and Economic Development
(DCCED)
POSITION STATEMENT: Provided information on the Fairbanks
annexation.

TERRY STRLE, Mayor
City of Fairbanks
Fairbanks, AK
POSITION STATEMENT: Provided information on the Fairbanks
annexation.

LAREN ZAGER, Chief of Police
Fairbanks Police Department (FPD)
Fairbanks, AK
POSITION STATEMENT: Provided information on the Fairbanks
annexation.

VIVIAN STIVER, Council Seat A
City of Fairbanks
Fairbanks, AK
POSITION STATEMENT: Provided information on the Fairbanks
annexation.

LUKE HOPKINS, Mayor
Fairbanks North Star Borough (FNSB)
Fairbanks North Star Borough, AK
POSITION STATEMENT: Provided information on the Fairbanks annexation.

Cynthia Klepaski, Assistant Borough Attorney
Fairbanks North Star Borough (FNSB)
Fairbanks North Star Borough, AK
POSITION STATEMENT: Provided information on the Fairbanks annexation.

MICHAEL LAMB, Chief Finance Officer
Fairbanks North Star Borough (FNSB)
Fairbanks North Star Borough, AK
POSITION STATEMENT: Provided information on the Fairbanks annexation.

BILL SHECHTER, Secretary
University Fire Service Area
Fairbanks, AK
POSITION STATEMENT: Provided information on the Fairbanks annexation.

TOM OBERMEYER
Aide to Senator Davis
Alaska State Legislature
Juneau, AK
POSITION STATEMENT: Presented SB 109.

SENATOR DAVIS
Alaska State Legislature
Juneau, AK
POSITION STATEMENT: Sponsor of SB 109.

DOUG CONBOY, Superintendent
Kashunamiut School District
Chevak, AK
POSITION STATEMENT: Supported SB 109.

BENJAMIN AGIMUK, student
Kashunamiut School District
Chevak, AK
POSITION STATEMENT: Supported SB 109.

JOHN ALCANTRA, Director of Government Relations

National Education Association (NEA) Alaska
Juneau, AK

POSITION STATEMENT: Supported SB 109.

LES MORSE, Deputy Commissioner
Alaska Department of Education and Early Development (DEED)
Juneau, AK

POSITION STATEMENT: Opposed SB 109.

BENJAMIN ANDERSON AGIMUK, student
Kashunamiut School District
Chevak, AK

POSITION STATEMENT: Supported SB 109.

ACTION NARRATIVE

[3:31:47 PM](#)

CHAIR DONALD OLSON called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Kookesh, French and Olson.

Presentation on Fairbanks LBC Annexation

[3:32:30 PM](#)

CHAIR OLSON announced the first order of business to be a presentation on the December 10, 2008 Local Boundary Commission (LBC) decision.

BRENT WILLIAMS, staff to the LBC, Department of Commerce, Community and Economic Development (DCCED), said a hearing and decisional meeting took place in December 2008 and the LBC approved the City of Fairbanks annexation of two territories: the Enclave Lots and Fred Meyer Subdivision. He noted that the Legislature and committee had been provided with the Statement of Decision and the Statement of Dissent by Commissioner Harrington.

Senator Menard and Senator Thomas joined the meeting.

MR. WILLIAMS said the decisional statement stands on its own but he could go through the process if the committee wished.

SENATOR THOMAS said he would like to hear a more detailed interpretation of Mr. Williams' understanding of the regulations

and said perhaps an opportunity to reconfigure the annexation exists if some regulations were not considered.

MR. WILLIAMS said the regulations were followed and the Statement [of Decision] speaks for itself. He asked for clarification on Senator Thomas' question.

[3:36:36 PM](#)

CHAIR OLSON clarified that Senator Thomas is familiar with the annexation process but would like a recap of the process that was followed and Mr. William's interpretations.

MR. WILLIAMS replied that he was happy to recap the process; however, he noted that the LBC interprets regulations, not staff, and he cannot speak for the LBC.

SENATOR THOMAS said maybe he misunderstood who the witness was.

MR. WILLIAMS clarified that he is a Department of Commerce employee in the Division of Community and Regional affairs. He said he is staff to the LBC, but is not a commissioner. He said a decision had been reached at this point and reiterated that the Statement [of Decision] speaks for itself.

LYNN CHRYSTAL, Commissioner and Chairman of the Local Boundary Commission, said a lawsuit had been filed on behalf of the Borough of Fairbanks so he could not go into detail beyond the decisional statement.

SENATOR THOMAS said regardless of the amount of notices made and opportunities to testify, this case produced many concerns during and after the fact. He suggested the possibility that not enough information was made available about the process and the role of the Legislature. He asked Commissioner Chrystal to elaborate on the process that was followed, the important points and the theory behind the Commission's actions.

MR. CHRYSTAL said the LBC is a five-person committee selected from throughout the state. The committee's main function is to act as the local boundary commission with advice and guidance from staff and the Attorney General's (AG) office. He explained that when a petition is filed with the commission, the staff people go through weeks or months of research using state laws, regulations, by-laws, etc, and make a recommendation to the LBC. In this case, the public hearing was then held in Fairbanks.

[3:42:12 PM](#)

MR. CHRYSTAL said the Fairbanks Annexation is contentious; no matter what is done, someone will be mad. The LBC tries to be as fair as possible within the law; the commissioners do not have agendas and are in the LBC as volunteers.

CHAIR OLSON asked to hear some of the historical precedent based on past cases with similar circumstances.

MR. CHRYSTAL said he has only been on the LBC for three years. Every commissioner looks at things differently but all try to abide by the laws and regulations. The commission made a decision and the Legislature or court system has the power to override it. To his knowledge, the Legislature has overridden the LBC in only a few cases and the court system has remanded a case back to the LBC.

CHAIR OLSON asked if the only two avenues of appeal for an aggrieved party are through the Legislature or court system.

MR. CHRYSTAL replied yes.

CHAIR OLSON asked how many times those have been successful.

MR. CHRYSTAL said the AG's office might have those records. He only knows that no appeals have succeeded in the last few years, though one decision made over two years ago in Ketchikan is still in the court system.

CHAIR OLSON said every time the LBC makes a decision it goes to court.

MR. CHRYSTAL said no, a decision in Wrangell was made two years ago without any suits. The LBC has also dealt with a number of small issues, such as an annexation of a piece of property with a sole owner and everyone in agreement. He explained the LBC does not initiate petitions but tries to do the right thing and make the right decision. He said only four commissioners voted on the Fairbanks annexation. Commissioner Wilson from Tok was recused because his daughter is an attorney for the Borough.

CHAIR OLSON asked if any other Commissioners were in the room.

MR. CHRYSTAL replied that Commissioner John Harrington from Ketchikan was present.

[3:46:12 PM](#)

SENATOR THOMAS asked if LBC's authority in annexation questions is simply reviewing the annexation proposal or if the LBC has the option to alter the annexation.

MR. CRYSTAL said yes, LBC could adapt the annexation proposal as it goes along. He said LBC did that a little bit on the Ketchikan decision a couple of years ago.

SENATOR THOMAS felt the annexation of the Enclave Lots was more of a natural, understandable decision but that the Fred Meyer property was the bigger question. Part of the justification of this annexation was that the property across the street is already within city limits. He wondered if the LBC considered that the entire rest of the street is also across the street from the city limits.

MR. CHRYSTAL said the LBC was acting on what the City of Fairbanks presented. He said he was aware that the other property was right there but did not think about changing anything. The LBC was just trying to deal with what was in front of them.

SENATOR THOMAS asked if anyone in the City or Borough or participants in hearings suggested [that the rest of the street is also across from city limits].

MR. CHRYSTAL replied not that he recalled.

3:50:09 PM

TERRY STRLE, Mayor of the City of Fairbanks, noted that her office had provided a fact sheet on the annexation. She explained that Fairbanks is a city within a borough and has a long history of annexation. Her predecessor, Mayor Thompson, looked at several annexation options to expand the city, including this [Fred Meyer West] annexation. Councilman Roberts [City of Fairbanks, Seat B], a commercial realtor, became aware and concerned that Fred Meyers West, as well as Taco Bell and Mt. McKinley Bank, is perched right on the boundary of the City of Fairbanks. She said Fairbanks is the commercial hub of the interior and Fred Meyers West is perched right outside of the city, yet benefits from city services. She said the area is already a part of the city. She said that she feels people should be paying for services that they come in and use every day, but that the city only has property taxes. She felt that annexing Fred Meyer West made sense because the city police provide services on the corner of University and Airport Way even though they are state maintained roads. She said the police

already investigate crimes at Fred Meyers West because while troopers are spread across the large Borough, the city police help the troopers out. She felt it was natural that Fred Meyers West be part of the city and bet that the majority of Borough residents think that it already is. She explained that two banks are in this parcel of land and the city police, with their technology, are the first responders in the event of a robbery.

MS. STRHL said this annexation has turned into a two-year process. She and [Councilman] Chad Roberts met with Mayor Whitaker, who was the [FNSB] mayor at the time, and told him about their annexation intention. They also met with and hoped to work with the University Fire Service but it was apparent early on that no headway would be made. Prior to the council's passage of the resolution to move forward with the annexation, all the property owners in Fred Meyers West and the Enclave Lots were contacted. She had conversations with Mt. McKinley Bank and Fred Meyers about the annexation. She said Fred Meyers West sent a letter stating they were not inclined to support the annexation at that point. Mt. McKinley Bank also did not support the annexation. However, during the entire LBC process Fred Meyers, Mt. McKinley Bank and Taco Bell did not make a formal objection to the annexation in spite of many opportunities to do so.

[3:54:54 PM](#)

MS. STRLE said the city followed LBC's exhaustive process and she felt a small group of people had caused short term turbulence for the community. The city continues to move forward and work with the borough the University Fire Service and state troopers, such as through joint dispatch.

MS. STRLE said that some people have questioned why the city started with such a small parcel of land. She explained her intention was to start with a small area and then look at other areas. She was wary of looking at something so broad that providing city services became problematic. She said she will be putting together a committee to look at further areas that need to be annexed, such as parcels that are outside of the city but pay for fire service. She felt the LBC had made the right decision and encouraged the Legislature's support.

SENATOR THOMAS asked if the people in the areas that were annexed had petitioned the city.

MS. STRLE answered no.

SENATOR THOMAS asked if Fred Meyer and Mt. McKinley Bank had indicated that they were not interested in being annexed.

MS. STRLE said yes, prior to the council's passage of the resolution. She has not had any communication with Fred Meyer or Mt. McKinley Bank since then.

SENATOR THOMAS asked if any opposition existed within the city council.

MS. STRLE replied yes and said that two councilmen are not in support of the annexation because they feel people should be able to vote on the annexation rather than it going through the Legislative process. They also have some concern about the University Fire Service being right down the road.

SENATOR THOMAS confirmed the process does not include people being able to vote on the annexation.

MS. STRLE replied no and pointed out that there are no voters at the Fred Meyers subdivision.

SENATOR THOMAS said the Fred Meyer subdivision is a sizeable and valuable chunk of land and asked about the tax revenues.

MS. STRLE said the Borough would most likely lose about \$400,000 in property and alcohol tax revenue from the Fred Meyer subdivision and the University Fire Service would lose about \$50,000 from their levy. Those funds would benefit the city instead.

SENATOR THOMAS asked if the City would pick up the exact same amount of revenue from the taxes.

MS. STRLE replied yes.

CHAIR OLSON asked if the net would be \$450,000 for the city.

MS. STRLE answered yes, \$400,000 or \$500,000.

SENATOR THOMAS asked if testimony was generally in favor or against the annexation.

MS. STRLE said she thought it was half and half. She said the University Fire Service was concerned about the potential to lose revenue and have the city encroach on their area. Others

felt the annexation made sense and felt the area was already a part of the city and received services.

[3:59:22 PM](#)

SENATOR THOMAS said he and Ms. Strle have had a conversation about the remaining area along University Avenue, about a half a mile down to the fire station. He asked if she would consider annexing this area.

MS. STRLE said she did not think "there is anything that we're not considering." She said people have talked to her about going down Airport Road to the airport and about properties on Van Horn Road and Peger Road that want fire service. She mentioned the Borough's interest in developing the Tanana Lakes recreation project and the possible need for police protection. She said nothing is off the table but she has not formulated the next step.

SENATOR THOMAS said Ms. Strle is mentioning mostly commercial properties, such as Van Horn Road.

MS. STRLE replied yes, but a lot of residential development is past or behind Van Horn Road. She said people have told her, "If it looks like a city, it is a city" and some areas do look like part of the city. She does not look down College Road, where the fairgrounds are, as part of the city. She sees the growth at the airport and "that way."

SENATOR THOMAS said he is glad she is thinking that way; it makes him feel safe.

CHAIR OLSON opened public testimony.

[4:01:59 PM](#)

LAREN ZAGER, Chief of Police, Fairbanks Police Department (FPD), said that while some good reasons might exist for disallowing the annexation, those reasons are not within the area of police services. He said the annexation will not overload the FPD. He explained that the FPD would receive one-half of a position and the call numbers equate to about one-third of a position per year. He said the FPD has a good relationship with the Alaska State Troopers and mutual aid would stay in place. With the annexation, the Enclave Areas and Fred Meyers would receive more unified public safety services with dispatch, fire and police all under one roof. He said according to FPD's concentration of officers, having an FPD officer nearby when an emergency call comes in from the area is much more likely than a state trooper.

He also mentioned the FPD hosts sophisticated robbery technology that is still available through mutual aid but is delivered at a better level when FPD is the primary responder. He said FPD has the staff and is in the area all the time anyway.

[4:05:33 PM](#)

SENATOR THOMAS asked Mr. Zager what a third of an officer's time amounts to.

MR. ZAGER replied that these are not new businesses and that FPD already spends a substantial amount of time responding, backing up the Troopers, being in the neighborhood and doing traffic stops. He said the actual increase in work load might be closer to a quarter of a position. Roughly 300 calls a month come from the area and an FPD officer probably responds to an average of 500 or more calls per month.

VIVIAN STIVER, Council Seat A, City of Fairbanks, said she does not recall hearing any discussion regarding annexation plans or steps during her time with Mayor Thompson. She said she chairs the fire committee citizen review and found it unconscionable that more work will be taken on. She said the dispatch center is broken; the city is unable to recruit and retain dispatchers. She reported that a man timed the drive from the University Fire Station, next to Fred Meyers, to the front door of Fred Meyers at 60 seconds. He then drove from Fred Meyers to the city fire station on Cushman and, with all green lights, the drive took 6 and a half minutes. She said the most important part about emergency services is the "golden minute," or the ability to get to the person in need.

[4:09:20 PM](#)

MS. STIVER said if a community member now has a property crime, he or she is told to fill out paper work. Service in the city needs to be improved and the city is always looking for money.

MS. STIVER said the two letters from Mt. McKinley Bank and Fred Meyers were never rescinded and these businesses have never dropped their opposition.

MS. STRLE reiterated that Mt. McKinley Bank, Fred Meyers and Taco Bell did not oppose this annexation when they had the opportunity to do so through the LBC process. She said she is certain she did talk to Mt. McKinley Bank and Fred Meyers corporate people, probably after the petition was filed.

[4:11:12 PM](#)

At Ease from 4:11:12 p.m. to 4:11:41 p.m.

4:11:41 PM

CHAIR OLSON called for testimony from the North Star Borough.

LUKE HOPKINS, Mayor, Fairbanks North Star Borough (FNSB,) asked the committee to consider overriding the LBC decision. He said he was on the FNSB assembly and voted in opposition to this on a resolution. He saw this as a small piece of property and a money grab. The change of authority would result in a change in emergency care response from the University Fire District, which is only a half mile away, to the City of Fairbanks emergency response, which is three miles away [from the Fred Meyers subdivision]. He noted that he does not have a problem with the Enclave Lots annexation but said that the Fred Meyers annexation has unintended consequences. He felt residential units on either side of the commercial property should have been included in the annexation if better service is truly to be given to a portion of the city. He said the fire fighters in both the city department and University department are highly qualified, but the response time to those in need of medical care [is the issue.] Property taxes will increase for Fred Meyers subdivision businesses. The Borough taxes will also increase with the shifting of money to the City of Fairbanks. The monetary change that would occur would be a \$1 million reduction every other year for FNSB.

4:16:26 PM

SENATOR THOMAS asked if Mr. Hopkins had conversations with the city mayor before the annexation.

MR. HOPKINS said he was an assembly member when early discussions took place about the ability to solve a financial issue of monetary losses with the University Fire Service Area. He said he recalls speaking to Mayor Strle about annexing a larger area that really would like services such as fire protection. He felt it was unfortunate that the city didn't go after some other area that would be a better application of the annexation process. He recalled Ms. Strle saying she understood that.

CYNTHIA KLEPASKI, Assistant Borough Attorney, Fairbanks North Star Borough (FNSB), said this annexation did not make sense. She reiterated that the City of Fairbanks chose the Legislative review annexation process; no public vote was taken. Now it is up to the Legislature to finalize the process. She referred to a handout showing the city boundaries and the "bump" to the

Western boundary where Fred Meyers is. Another map showed the Borough surrounding Fred Meyers on three sides. She said the city chose not to annex the residential subdivision to the south or businesses to the west. She said customers and businesses of the Fred Meyers subdivision did not ask for annexation.

[4:20:25 PM](#)

MS. KLEPASKI referred to a map illustrating Fred Meyer's distance from the four main fire stations: .6 miles from University Fire Service Area, 2.2 miles from the main University Fire Service Area, 3.1 miles from the Fairbanks city fire station and 3.5 miles from the Aurora station. She pointed out that coming from the city fire station requires going down Airport Road through ten signaled lights.

MS. KLEPASKI said this annexation would remove the 2nd largest tax payer to the University Fire Service Area and it is bad public policy for one municipality to "financially cannibalize" another. She referred to a handout which estimated that the loss would have been \$475,243. She noted that the figure differs from the petition because the city used mill rates and assessed value estimates in 2008 while the 2009 figures are actual figures. She hoped that the Legislature would do a cost benefit analysis, especially as there was no public vote. Borough residents will have a tax increase due to the loss of the alcohol tax, University Fire Service Area residents will have a tax increase because of the loss of the property tax and Fred Meyers subdivision owners will have increased property taxes and fees. She said no streets need to be cleared or garbage collected and the subdivision already had fire and ambulance; annexation has not been shown to be needed. She hoped the committee would introduce a senate resolution to deny the annexation before the March 5th deadline.

[4:22:34 PM](#)

SENATOR THOMAS asked if anyone plotted the distance and time from University Fire Station Number 2 to the Fred Meyer property and on to the hospital via Davis Road.

MS. KEPLASKI replied that that route was not calculated, but any of the fire or ambulance services could use an alternative route. She pointed out that getting from Fred Meyer to the hospital will be the same for any service; how long it takes to get to Fred Meyer is the issue.

SENATOR KOOKESH asked why the route and mileage from the nearest police station has not been shown.

MS. KEPLASKI replied that the police are usually in route, not at the police station.

[4:24:14 PM](#)

MICHAEL LAMB, Chief Finance Officer, Fairbanks North Star Borough said the Borough loses about \$475,000 dollars and University Fire Service Area loses \$57,000. The city gains about \$670,000 including property, alcohol and tobacco taxes. Fred Meyer will pay an additional \$53,000 in taxes to the city than what it currently pays. He explained that the Borough tax cap prevents non-voter approved programs from being added and keeps income revenue from taxes stable. The revenue equals the net taxable value times the mill rate. When the revenue is the same but the number two tax property disappears, a 2.7 percent reduction in tax revenues occurs. He explained that in a new budget year, factoring for inflation, University Fire Service Area and the residents who pay for that service with property taxes, are confronted with a 6 percent approximate gap in their revenues. In all likelihood the [University] Fire Service Area will have to increase taxes on all of its residents.

BILL SHECHTER, secretary, University Fire Service Area, said he has been the fire chief for both the City of Fairbanks and the University area. He said the Fire Service Commission is opposed to this annexation because the safety of 8,000 daily visitors to Fred Meyer, plus Taco Bell and bank customers, will be compromised. These people will experience a change in the level of emergency service that they have come to expect over the last 20 years.

[4:28:12 PM](#)

MR. SHECHTER said the LBC and its staff are not in a position to assess this safety component as they look at state statutes and the Constitution. He hopes the Legislature will realize the importance of safety and reverse the annexation decision.

SENATOR THOMAS asked Mr. Shechter if his comment about danger to the public was in reference to response times and transportation to the hospital.

MR. SHECHTER said absolutely because the ability to get on the scene for resuscitation or life sustaining measures takes precious minutes away from somebody's life. The ability to respond in 60 seconds as opposed to six minutes could mean the difference between life and death. He reiterated that the City of Fairbanks has excellent [emergency response] people but they

are busy. He mentioned that the ability to get to a fire scene and initiate effective fire suppression results in less damage and more survivability of property.

[4:30:50 PM](#)

MR. HOPKINS asked the committee to consider the fine points that were not part of the view of annexation. He said the right thing is not being done.

[4:31:30 PM](#)

At Ease from 4:31 p.m. to 4:32 p.m.

SB 109-REPEAL SECONDARY SCHOOL EXIT EXAM

[4:32:41 PM](#)

CHAIR OLSON said the next order of business to come before the committee was SB 109.

TOM OBERMEYER, aide to Senator Davis, said the High School Graduation Qualifying Exam (HSGQE) was initiated in 2001 and was fully implemented in 2004. He said it has become a high stakes hurdle that in many views has harmed many students in Alaska while exacerbating the 2007 court finding that the state was violating students' constitutional rights to an education without providing proper assistance and direction, particularly in rural districts. He said it may be argued that the state does not need the HSGQE and all school districts already require assessment tests to determine student progress and competency. The Center on Education Policy reported in August 2008 that most states have alternatives to the high risk exam. The current Alaska high school exam was changed by the Board of Education and made a little less difficult at the inception and has since been combined with the No Child Left Behind test.

He pointed out that the test represents a substantial expense at about \$1.5 million per year as part of a \$48 million, seven-year annual renewable contract with Data Recognition Corporation (DRC). He said whether or not the test is doing what it was intended to do is questionable. Nothing has indicated that the test has better prepared students for college or has determined conclusively that students were receiving diplomas but lacking basic skills. He explained that many students who fail the test are dropping out of school or ending up with a Certificate of Attendance which has no value in the job market. It is time to review the exam and see if it is time to eliminate it. He noted

that the Department [of Education and Early Development] (EED) and the Board [of Education] have taken a contrary opinion.

SENATOR MENARD asked if \$1.5 per year is the cost to administer the test.

[4:36:54 PM](#)

MR. OBERMEYER replied yes, the average is about \$1.5 million.

SENATOR MENARD said Terra Nova is the test that many are wishing to go to. She asked what the cost would be to administer that test.

SENATOR DAVIS said SB 109 only repeals the HSGQE and she was not able to provide that information. She said it was up to the EED and Board of Education to decide if Terra Nova would be used.

SENATOR MENARD said she knows about the Terra Nova test and should have asked how much less the cost of administering this test would be.

SENATOR THOMAS commented that any test does not necessarily create change, but rather what results from the test, such as earlier intervention, creates change. He commented that some people say earlier intervention, according to tests already in place, will have a better outcome than waiting until the 10th grade to take a test with a large impact.

SENATOR DAVIS said she is not recommending anything; that SB 109 is to repeal the HSGQE. She mentioned that some tools are already in place for assessments and testing in earlier grades and the EED has to decide what else to do. She pointed out that WorkKeys is supposed to go into effect next year and said she does believe pre-K education is important. She said a system that gives a test at grade 10, with three years to pass, or else a piece of paper to say the student attended, is a disservice to children and needs to be looked at and replaced.

SENATOR MENARD said she has heard the MatSu school district is not opposed to SB 109 and asked if Senator Davis has heard from other districts.

SENATOR DAVIS said she has heard from a lot of districts and that the committee packets contain some of the information and more will come from public testimony.

[4:40:46 PM](#)

DOUG CONBOY, Superintendent of Schools, Kashunamiut School District in Chevak, said Kashunamiut School District supports SB 109. He said several aspects of standardized testing have a negative effect on his district's students, which are 98 percent Cup'ik. Students in Chevak do not understand some terms used in testing such as "curb;" there are no curbs in Chevak and students do not know what a curb is. Students don't have a concept of the term "park" as there are none in Chevak. He provided an example of a multiple choice question about the appropriate means of transportation to a hospital - an automobile, public transport or an airplane. Chevak students correctly answered "airplane" which was counted as wrong in the standardization process. He did not believe any standardized test can be detailed enough to consider the wide range of [students'] experiences. He cautioned against substituting HSGQE with something else because one size does not fit all.

SENATOR THOMAS said he has been told assistance is allowed for some people and asked if assistance aids Mr. Conboy's students.

MR. CONBOY replied that too much dialogue with the student compromises the test; means of assisting a student with the test are quite limited.

SENATOR THOMAS asked if other tests already in place should be able to trigger remediation and getting kids to the point where they are able to go on to vocations or college.

MR. CONBOY said he believes so. He said teachers who work with students daily and have a relationship with them are up to the task of remediating those issues. The student must also have some ownership as well; a student who is oppositional is hard to turn around.

[4:44:56 PM](#)

SENATOR KOOKESH said he thinks that the end result of the test is the worst part of it. He has seen kids in his village who don't pass the HSGQE and get a Certificate of Attendance which effectively ends their life because the student cannot go to vocational schools, college, into the military and possibly can't join some unions without a high school diploma. He thought we need to find a way to get kids a high school diploma yet the HSGQE is stopping them from doing so.

MR. CONBOY agreed and apologized if his testimony gave any indication that he did not agree.

SENATOR KOOKESH said he just wanted to go to the next step: not only is the test something he does not agree with but he also does not agree with the end result.

MR. CONBOY said a double standard exists: a student who meets the requirements for graduation as set forth by the local school board and district, but does not pass the HSGQE, is not allowed to graduate. Other students pass the HSGQE but don't have all the needed credits and so cannot graduate. He does not believe a "double shot" at the students is the right way to do business.

[4:46:23 PM](#)

BENJAMIN AGIMUK, student at Kashunamiut School District in Chevak, supported SB 109. He said some kids do well in school but get very nervous about these big tests and their brains do not function right. He said students who get A's and B's but don't pass the test, even after the retakes, are not able to graduate. He expressed the opinion that this is unfair. He said he knows at least one student exists in every village who is smart enough but cannot pass the HSGQE test because he or she gets nervous. He believes these kids can get a diploma but do not because of the HSGQE test; they will only get a Certificate of Attendance even though they have A's and B's. He said that person is being left behind.

CHAIR OLSON asked Mr. Agimuk what grade he is in.

MR. AGIMUK replied 10th grade.

CHAIR OLSON asked if Mr. Agimuk had taken the HSGQE.

MR. AGIMUK replied no.

SENATOR KOOKESH asked if Mr. Agimuk is saying that a person can go through high school, get all A's and B's, and then be failed by one exam at the end. He asked if Mr. Agimuk did not agree with that.

MR. AGIMUK said he does not agree with that because students can get really nervous and their brains don't function right. He said it is certainly unfair for the student. He pointed out that those students will not be able to get scholarships or go on with school even though they had good enough grades.

SENATOR MENARD complimented Mr. Agimuk on his testimony.

SENATOR THOMAS asked if Mr. Agimuk is a good student.

MR. AGIMUK replied yes.

SENATOR THOMAS asked Mr. Agimuk if he anticipates passing the test.

MR. AGIMUK replied, "Hopefully."

CHAIR OLSON asked what Mr. Agimuk would like to be when he gets out of school.

MR. AGIMUK replied that he would like to be like Senator Olson.

4:50:01 PM

JOHN ALCANTRA, Director of Government Relations, National Education Association - Alaska (NEA), supported SB 109. He mentioned the savings of \$1.3 to \$1.6 million per year as shown on the fiscal note for SB 109. He suggested more savings would be made through children not missing instruction in order to take the HSGQE. He recounted that some students pass the test in their sophomore year and tell their parents they are "done with high school." He mentioned a letter in the committee packet from LaDawn Truce, president of the Kenai Peninsula Education Association, which provides an eloquent description of the flaws of the exit exam other than the cost.

SENATOR THOMAS said we do a lot of testing all through school. He asked Mr. Alcantra if he thinks the HSGQE is being unfairly judged and if standards will be lowered if the test is done away with.

MR. ALCANTRA said he did not believe repealing the HSGQE would be lowering standards because the test is a minimum bench mark anyway. He felt that current testing from 3rd to 10th grade is adequate. He pointed out that good students and smart children have "a blip in difficulty" in passing a test. He said plenty of assessment tools are available and the EED and the Board of Education will come up with some alternatives.

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CHAIR OLSON said people in the business community have complained for years about high school graduates being inadequately prepared for the job market, particularly in mathematics. He asked what Mr. Alcantra would say to these business community members.

MR. ALCANTRA said quality teachers in every classroom would allow these kids to get the best education possible. He said asking village kids about curbs and paved streets isn't going to help them do better math for a workplace. He said this exit exam is keeping hundreds of kids from getting a diploma and being able to move forward and better their lives. At every crossroad, parents and teachers can do a better job at making sure their children do better in math and every subject. Eliminating the HSGQE will not keep kids from getting the best math or high school experience possible.

SENATOR KOOKESH recounted that he worried for years about his younger brother who did not do well in school. His brother went into the military, spent time in Vietnam, came back and went to college and got a Masters Degree. If an exam was in place, he would not have gotten a diploma and never would have "made it."

MR. ALCANTRA said the letter from LaDawn Druce is about her son who went to a post-secondary vocational educational program in Oklahoma. He had not passed the HSGQE. He came back and passed it 55 points above the cut score two years later. He was employed at an Anchorage automotive dealership within 48 hours of returning to Alaska and has worked his way up to service advisor. Mr. Alcantra said failing the HSGQE can prohibit getting into the military and most union apprenticeship programs; it is hurting Alaska's kids.

[4:57:01 PM](#)

LES MORSE, Deputy Commissioner, Alaska Department of Education and Early Development (DEED), said the state Board of Education decided it was not wise to move away from this test at this time and felt it was an important part of the accountability system. The Board of Education adopted a resolution in opposition to SB 109. He mentioned data showing the number of graduates has increased while dropouts have decreased since the exam was implemented. The data suggests that the exam might be working.

CHAIR OLSON asked if it is correct that the Administration is not in support of SB 109.

MR. MORSE replied that was accurate.

SENATOR KOOKESH said he did not know that was accurate.

MR. MORSE clarified that the Governor's office has not taken a position. The DEED is bringing forward the position of the state Board of Education.

SENATOR KOOKESH asked how many students in Alaska receive a Certificate of Attendance. He said the number of graduates will naturally increase because the population is growing. He said fewer dropouts might occur when students stay in school even with a Certificate of Attendance because they don't realize what the certificate is as compared to a diploma.

MR. MORSE said the percent of graduates has increased, not just the number of graduates. The total number graduates went from 6905 to 8008 last year; the percentage of the population went from 61.4 to 67.5 percent. In 2009, the numbers are based on 11,863 students of which 8,008 graduated and 2,311 did not graduate. Of those 2,311, 1,549 students passed all three parts of the exam so they did not graduate for some other reason. 762 students did not pass one or more parts of the exam and received a Certificate of Attendance.

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CHAIR OLSON asked if Mr. Morse agreed that students in rural Alaska are at a disadvantage because they do not have the vernacular of those raised in a city. He asked why rural students should be penalized by a test that is biased toward urban students.

MR. MORSE said he would be surprised if a question with that level of bias was on the test. He said he will ask the contractor if any question like that [about a curb] exists. Every item on custom-made tests, including the standards based exams and HSGQE, is reviewed for bias by a committee with representation from all over Alaska. He said, it would be highly unlikely that question would be on the test at that grade because of extensive reviews for bias.

CHAIR OLSON referred to his experience of having flown many Medivacs in rural and Western Alaska, and said a student who is asked how grandma will get to the hospital will not say in an automobile. He said he has not seen the test but stated that if such a question is on the test, something is certainly wrong with the test.

MR. MORSE said he agreed and was almost 100 percent sure that question is not on the test; it would not have passed the bias committee who would have said two correct answers are possible.

CHAIR OLSON asked Mr. Morse to get back to him about whether or not that question is on the test.

5:02:55 PM

SENATOR KOOKESH said he is concerned about DEED not supporting SB 109 at all without talking to people, like the testifiers today, or members of the Legislature, such as himself, who are opposed to the test. He said he expects DEED to lead, not keep the status quo. He said he wants to hear the DEED say, "this test may not work, so we are going to make modifications to it; we're going to make it work." He said the DEED needs to look at the fact that SB 109 is in front of the Legislature and there is a concern.

MR. MORSE said he would not say no problems exist with the exam and noted that adjustments have been made. He said next week a meeting will be held to review standards, poll people who have worked on the high school portion and conduct consequential validity studies to learn the impact of the exam in the field. He said such things are continuously looked at. He said the Board of Education and DEED think the HSGQE fulfills a very important purpose in the accountability system. The HSGQE is a major driving force in comprehensive high schools that don't fall under the No Child Left Behind accountability.

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SENATOR KOOKESH said he would be comfortable if DEED would say the HSGQE would be kept as a measuring tool and as part of the graduation process. He does not want to get the message that the DEED doesn't care how a student does in school but will deny a diploma for a student who fails the test.

SENATOR MENARD said that Alaska school board [Board of Education] is often at odds with the Alaska Association of School Boards. She would like DEED Commissioner, Mr. LeDoux, to come and speak because she is getting conflicting information that he may weigh in on getting rid of the HSGQE.

MR. MORSE said the Commissioner would make himself available.

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BENJAMIN ANDERSON AGIMUK, student at Kashunamiut School District in Chevak, supported SB 109 for cultural reasons and psychological reasons already stated. He said he has intelligent friends who do not pass the test, are discouraged by the results and are not willing to continue in school. He said these are people who would probably go through vocational school more quickly than other people. They are crippled because they cannot pass a test that was not designed for them, even though they

would be successful people. He said he was going to describe cultural reasons as well but those have already been said.

CHAIR OLSON asked what grade Mr. Anderson Agimuk is in.

MR. ANDERSON AGIMUK replied 11th.

CHAIR OLSON asked if he had taken the HSGQE.

MR. ANDERSON AGIMUK replied yes.

CHAIR OLSON asked if he passed.

MR. ANDERSON AGIMUK replied yes.

SENATOR KOOKESH asked if he was concerned about the other students who may end up being penalized because they would not get a diploma and would not be able to continue on in life to do other things.

MR. ANDERSON AGIMUK replied yes. He said the people he knows are pretty smart and do well in school. He said they do better in technical classes and would be successful. He said they are being crippled by the test and mentally discouraged to the point of not feeling like going forward in school.

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CHAIR OLSON closed public testimony and held SB 109 in committee.

[5:10:29 PM](#)

With no further business before the committee, Chair Olson adjourned the meeting.