

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

February 2, 2011

8:02 a.m.

MEMBERS PRESENT

Representative Alan Dick, Chair
Representative Lance Pruitt, Vice Chair
Representative Eric Feige
Representative Paul Seaton
Representative Peggy Wilson
Representative Scott Kawasaki

MEMBERS ABSENT

Representative Sharon Cissna

COMMITTEE CALENDAR

PRESENTATION(S): SCHOOL SUPERINTENDENT

- HEARD

PRESENTATION(S): HIGHER EDUCATION SCHOLARSHIP FUNDING TASK
FORCE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

KENNETH STEPHEN BURNLEY, PhD, Superintendent
Mat-Su Borough School District (MSBSD)
Wasilla, Alaska

POSITION STATEMENT: Provided a presentation on the Mat-Su
Borough School District (MSBSD).

EDDY JEANS, Education Policy Coordinator
Office of the Commissioner
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: Provided a presentation on the Higher Education Scholarship Funding Task Force, on behalf of the Department of Education and Early Development (EED).

ACTION NARRATIVE

[8:02:37 AM](#)

CHAIR ALAN DICK called the House Education Standing Committee meeting to order at 8:02 a.m. Present at the call to order were Representatives Dick, Wilson, Seaton, Pruitt, and Kawasaki. Representative Feige arrived while the meeting was in progress.

PRESENTATION(S): School Superintendent

[8:02:37 AM](#)

CHAIR DICK announced that the first order of business would be a presentation from the superintendent of schools for the Mat-Su Borough School District (MSBSD).

[8:03:51 AM](#)

KENNETH STEPHEN BURNLEY, PhD, Superintendent, Mat-Su Borough School District (MSBSD), said the district has prioritized educational transformation in order to ensure that students exiting high school have gained a mastery of the required subjects. Focus has been placed on building success, providing transparent accountability, creating a relevant academic structure, and producing students who are career, college, workforce, and military ready. The Mat-Su is the second largest district in the state, located 35 north of Anchorage, covering 25,000 square miles, and comprised of 44 schools. Enrollments range from 11-1,247, for a district total of 17,098 students. Every day 8,000 of the students are transported by buses, which average 5,500 miles per day. Additionally, special education buses transport 500 students approximately 2,500 miles on a daily basis. The district offers a free/reduced lunch service, which 39 percent of the students are eligible to receive.

[8:07:32 AM](#)

DR. BURNLEY said the school board established a strategic plan comprised of a clear vision, clear mission, and beliefs, supported by a set of core values and four definite goals. He opined that the system works well because of the annual

objectives, which are assessed on a quarterly basis. He directed attention to the slide titled "Second Quarter Summary Data Through December 15, 2010," as an example of a quarterly assessment and indicated how it provides tracking towards the annual targets. These summary assessments are posted on the internet for public access, along with the year-end reports. Dr. Burnley indicated that the district has 20 elementary, 5 middle, and 6 high schools. In addition 6 charter schools are located in the district. He said the district holds an open enrollment policy, allowing parents a choice of the programmatic options offered. Attention was drawn to the pie chart handout to indicate the ethnicity percentages, and he pointed out that Caucasian students represent the majority of students, with the largest minority being [Alaska Native].

8:09:07 AM

DR. BURNLEY moved to the most important aspect of change that is being implemented in the district; the slide titled "Educational Transformation and Innovation-Stepping Into the Future, Mastery versus Time." He explained that a student must demonstrate 80 percent mastery of a subject prior to advancement. The system allows students who demonstrate scholastic competency to complete high school in three years, while others may find it necessary to continue studies for four and one half or five years. The district policy of mastery/advancement begins in the pre-school years and continues through all levels. The intent is to hold a student accountable for learning, with some exceptions made for special education students. To support the students efforts towards these goals, several programs are implemented. The Key Elements in Mathematic Success (KEMS) introduces the algebraic concepts through a coaching model provided in the middle school to prepare students for high school level algebra. If a student has not received the benefit of the KEMS program, the Elements of Algebra Success (KEAS) is available in the high school. Additionally, he said the Science Technology, Engineering, and Mathematics (STEM) initiative, and Health Academy courses are options. Grading is being standardized across the district to ensure achievement levels. The high school programs are underpinned by Response to Intervention (RTI) and Positive Behavioral Interventions and Supports (PBIS), which provide learning and behavioral guidance and standards. Finally, a college alignment program is in place, including links to the Alaska Vocational Technical Center (AVTEC).

8:17:00 AM

DR. BURNLEY provided a slide to illustrate an AdvancePath Academics classroom makeover, contrasting the classic classroom model and the AdvancePath office style layout. AdvancePath creates a professional atmosphere, where students are treated like adults; punching in and out, leaving their seat at will as necessary, and forming focus groups. In this setting a student completes one course at a time, achieving 80 percent mastery before moving to the next course. In this way, a motivated student could complete two years of class credits in one year. Thus far, he said, this model has produced good results, and he provided two examples of students who had failed the exit exam, or dropped out; both returned, entered the program and earned diplomas. Additionally, administrators have pursued other students who have dropped out and invited them back to complete a degree in this environment, to great success. AdvancePath is a new program, serving 250 students, in three different programs, and serves as an example for classroom of the future. In closing he stated his belief that the Mat-Su school system is achieving what EED, the legislature, and the federal government have mandated: educational transformation and innovation, mastery as the constant, transparent accountability, relevance to student achievement and performance, substantial investment into professional development, academic and employability skills, and an outcome of career, college, workforce and military ready graduates.

REPRESENTATIVE SEATON asked if the AdvancePath approach was adopted from a national model.

DR. BURNLEY said yes, it has been successful in the lower forty-eight states, and offered that the Mat-Su program could be used as a demonstrative program for the state. He agreed to supply background information on AdvancePath to the committee. Finally, he said that student success is not about seat time, but mastery of subject matter is essential.

PRESENTATION(S): Higher Education Scholarship Funding Task Force

[8:27:03 AM](#)

CHAIR DICK announced that the next order of business would be a presentation from the Higher Education Scholarship Funding Task Force.

[8:27:46 AM](#)

EDDY JEANS, Education Policy Coordinator, Office of the Commissioner, Department of Education and Early Development (EED), briefed the committee regarding the house committee substitute (HCS) for the committee substitute (CS) for SB 221(FIN), which passed the legislature in 2010. The bill established a merit scholarship program for graduating high school students. It specified that any graduate meeting the criteria for rigorous course requirements, maintaining a good grade point average (GPA), and scoring well on the American College Testing (ACT) or Scholastic Achievement Test (SAT), could qualify for three different levels of funding awards for attendance to an in-state institution. The bill was structured using Wyoming's Hathaway plan as a model, which in turn was based on the Taylor Foundation plan out of Louisiana. A zero fiscal note was passed, in 2010, as the graduating class of 2011 will be the first to receive entitlement. Thus, it will be incumbent on the 27th legislature to allocate funding in the 2012 budget cycle, and the department has requested \$8.2 million to fund the first year. Because this is new ground for EED, the funding request was based on estimates of eligibility. He reported that EED has been developing regulations to implement the program, and building in transition requirements, with the understanding that the 2011 seniors may not have had the opportunity to choose a course of study that would meet the qualification standards. By 2013 the students will be required to meet the full curricula established. The transition and full requirements have been distributed to school district counselors, superintendents, and principals. Directing attention to the committee handout titled "Alaska Performance Scholarship Requirements 2011, he indicated the award levels and score requirements necessary to qualify: Level 1 Honors, awards up to \$4,755 per year to students maintaining a GPA of 3.5, achieving an ACT score of 25, or SAT score of 1680 - a career/technical scholarship requires a GPA of 3.5 and a WorkKeys score of 5; Level 2 Achievement, awards up to \$3,566 per year to students maintaining a GPA of 3.0, achieving an ACT score of 23, or SAT score of 1560 - a career/technical scholarship requires a GPA of 3.0 and a WorkKeys score of 5; Level 3 Opportunity awards up to \$2,378 per year to students maintaining a GPA of 2.5, achieving an ACT score of 21, or SAT score of 1450 - a career technical scholarship requires a GPA of 2.5 and a WorkKeys score of 5. Mr. Jeans provided a personal anecdote, regarding the inability of his daughter, an upcoming graduate, who has failed to meet minimum requirements for the ACT/SAT scores, but maintains a high GPA. These standards may serve to raise parental awareness of the competency skills which

are, or are not, being attained in the school system, he opined. The legislation coming before the committee this session, proposes a funding mechanism for long term support of the scholarship program. The intent is to establish a fund that can be capitalized and the interest income used for the scholarship awards. The funding task force identified various means to accomplish this task.

[8:35:58 AM](#)

REPRESENTATIVE FEIGE questioned the SAT score requirements.

MR. JEANS responded that the SAT cutoff scores were aligned with the standards used in Wyoming and Louisiana. Further, he said that when a student scores a 21, or above, on the ACT, the chances for having to take remediation classes at the post secondary level are minimal. The intent, he said is to require rigorous study in high school and eliminate the need for remedial classes in college. Following some committee discussion of the ACT/SAT scoring requirements, Mr. Jeans added that students in Alaska sometimes score above the ACT 25 rank, but the GPA's don't necessarily support that type of brilliance. A conclusion might be drawn that these students are not being adequately challenged and the converse to that is the grade inflation as previously mentioned regarding his daughter.

[8:39:36 AM](#)

CHAIR DICK opined that rural schools may find it difficult to provide the required scholastic support for a student to qualify under these standards.

MR. JEANS assured the committee that the issue of accessibility was raised, when the standards were developed. Every superintendent was contacted and EED received assurance that, by the time the program is fully implemented, any student would be able to receive the appropriate guidance to qualify; not necessarily in every school but via alternative means. The department is developing a virtual school, through a request for proposal (RFP) recently awarded to the Southeast Regional Resource Center (SERRC).

The committee took an at-ease from 8:41 a.m. to 8:42 a.m.

[8:42:08 AM](#)

REPRESENTATIVE KAWASAKI referred to the committee handout titled "Scholarship Funding Task Force Report to the Legislature Fall 2010," to point out that it contains several bulleted recommendations, and asked if any have been implemented into the governor's current bill.

MR. JEANS reiterated that the 2011 bill focuses on the funding structure. The listed recommendations will be addressed through the regulatory process at EED; discussions are in progress. He said if any recommendations cannot be handled via regulation, the points will be brought before the legislature.

REPRESENTATIVE KAWASAKI noted that the assessment of the merit component for the scholarship award has received criticism, and he asked for comment; specifically is the intent to reward students who do well, or provide an indicator of how a student may perform at college. He reported that he excelled as a high school student but struggled at the college level.

MR. JEANS said that the public notices describe the program as a reward for anyone who steps up to the plate and performs well. The intent is to have students better prepared for the next chapter of their lives.

REPRESENTATIVE KAWASAKI returned to the task force recommendations, and asked what is being addressed regarding the reintegration of a needs-based component.

MR. JEANS offered that EED does not support a program that is based strictly on financial need. He explained that needs-based does not incorporate academic preparedness, which is the intent of the scholarship program. The current needs-based program is AlaskAdvantage, which is underfunded but could be used as a mechanism to supplement the merit performance scholarship. He reported that AlaskAdvantage recipients often enter college, become discouraged, and do not complete a course of study.

[8:47:17 AM](#)

REPRESENTATIVE P. WILSON provided comments from student school board members regarding the ability to qualify for the scholarship, and said it is apparent that high schools vary in graduation credit requirements.

MR. JEANS clarified that the current graduation requirement is 21 credits, as set by the state school board. The performance scholarship program requires 16 credits in the areas of math,

science, language arts, and social studies. He pointed out that many school districts have higher credit requirements, thus, there is latitude for the students to achieve personal goals.

The committee took an at-ease from 8:49 a.m. to 8:51 a.m.

8:51:25 AM

REPRESENTATIVE KAWASAKI inquired about the progress EED is making regarding distance delivery for the required courses.

MR. JEANS answered that the distance instruction is being developed by SERRC in conjunction with the virtual school program RFP.

8:52:37 AM

REPRESENTATIVE SEATON returned attention to the committee packet handout titled "Scholarship Funding Task Force, Report to the Legislature, Fall 2010," and named the members of the task force: Chair Kevin Meyers, Senators Johnny Ellis, Lyman Hoffman, Gary Stevens, and Joe Thomas; Vice Chair Paul Seaton and Representatives Peggy Wilson, Wes Keller, Anna Fairclough, and Chris Tuck; Diane Barrans, Department of Education and Early Development (EED), Eddy Jeans, EED, Karen Rehfield Office of Management and Budget (OMB), Esther Cox, State Board of Education and Early Development, and Saichi Oba University of Alaska. The purpose of the task force was to work on the issues that were raised when SB 221 passed the 26th Legislature. The two primary areas to be addressed were: discovery of a funding mechanism for the scholarship program, and recommendations for programmatic changes.

8:54:49 AM

REPRESENTATIVE SEATON referred to the Executive Summary, page ii, to address the bulleted recommendations. It was determined that the scholarship fund should be a self sufficient, self sustaining program, independent of a fluctuating money source, to ensure that all outstanding award contracts can be honored. He reported that the expectation is to award approximately \$40 million per year, thus the fund should be capitalized to a minimum balance of \$160 million. Given the scope of the program, this is not an inflated number, he advised, and added that students are a great resource, and it is important to elevate this resource through appropriate investment. It was determined that EED should specify the course requirements, not

specifically delineated in statute for each curricular subject area and define the content requirements and standards for those courses. Additionally, EED specifications were to include options for the two career tracks being served by the awards; academic or career/technical certification. The ability to provide distance delivery was also reviewed to ensure that remote schools will have the ability to access required course work. The task force concurred with the decision by the education committees, of both legislative branches, to provide a needs-based component to directly support academically eligible students who have limited financial resources. The component meets the needs of traditional students; however, non-traditional student populations also exist. Considering the diminishing educational levels of the current workforce, it was deemed important to continue and expand the existing grant program known as AlaskAdvantage. He reported that the task force recommends the supplemental scholarship and AlaskAdvantage grant programs be programmatically separate, but share the same funding mechanism, under a funding formula which ensures adequate support for both. Representative Seaton said testimony before the task force brought to the fore the practice of the University of Alaska (UA) system to offer degree required courses on a five year rotating basis; negating the ability of a student to take appropriate advantage of the four year scholarship program. Thus, two policy recommendations were made: any institution which accepts scholarship awards should integrate an advisor/advocate program to assist awardees in expediting completion time; and institutions accepting awardees should make a good faith effort to provide course delivery structures that allow for two/four year certificate/degree completion timelines. Implementation of these steps will provide the opportunity for students to have a clear path, with appropriately sequenced courses, while receiving the advisory support that has proven to be a key element to student success.

[9:09:19 AM](#)

REPRESENTATIVE SEATON directed attention to page 5, and paraphrased from the recommendation, which read [original punctuation provided]:

In general, and as much as is practicable, the Task Force recommends that sources of funding for the Scholarship by positively identified, "funds-in" revenue be affirmatively designated and General Funds be used as necessary and in supplement only. In order of preference, from "first place to go" to last, the

Task Force advises the Legislature to fund the Scholarship Fund as follows:

Designating Interest from Specific, Existing Accounts

Designating Program Receipts and Dividends

Designating Revenues from Specific, External Sources

Re-appropriated Assets from Liquidated Accounts

General Funds

REPRESENTATIVE SEATON said that a stable funding source was stressed in order to assure students that the program will remain solvent. Several options were discussed, and he offered examples of the reasoning that resulted in the five listed approaches becoming the focus for recommendation. Finally, he reported that when SB 221 passed, the legislative bodies held differing view regarding class requirements. However, accord remained for the bottom line goal, which is to eliminate the need for remedial classes upon entry to college. As a result, both pathway/requirement structures were retained.

[9:16:39 AM](#)

REPRESENTATIVE SEATON provided final comments on the development of SB 221, stating that a blank CS was used to incorporate changes into the governor's bill. He explained the Amerada Hess settlement, and why it was identified as a funding source for the scholarship awards. It was determined that allocating the Hess Fund to capitalize the scholarship program, and using the annual interest of \$22-\$30 million to grant the awards, would be appropriate and provide a solid financial base. Further, he said it was deemed plausible to designate up to 15 percent of the progressivity element of the oil tax to the scholarship program as well.

[9:21:24 AM](#)

CHAIR DICK announced the upcoming meeting and thanked the participants.

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:24 a.m.