

HOUSE FINANCE COMMITTEE
March 28, 2012
1:37 p.m.

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CALL TO ORDER

Co-Chair Thomas called the House Finance Committee meeting to order at 1:37 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Michael Hanley, Commissioner, Department of Education and Early Development; Brodie Anderson, Staff, Representative Reggie Joule; Roger Healy, Chief Engineer, Department of Transportation and Public Facilities; Representative Alan Austerman.

PRESENT VIA TELECONFERENCE

Esther Cox, Chair, Alaska State Board of Education and Early Development; David Boyle, Research Associate, Alaska Policy Forum; Emily Nauman, Attorney, Legislative Legal Services; Saritha Anjilvel, Assistant Attorney General, Transportation Section, Civil Division, Department of Law.

SUMMARY

STATE BOARD OF EDUCATION DISCUSSION
Board Chair, Esther Cox

PRESENTATION:

ALASKA POLICY FORUM
Research Associate, David Boyle

HB 258 NATURALLY OCCURRING ASBESTOS

CSHB 258(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from Department of Transportation and Public Facilities, one new fiscal impact note from Department of Environmental Conservation, one new zero note from Department of Natural Resources, one new zero note from Department of Law, and previously published fiscal notes: FN1 (DLWD), FN3 (DHSS).

^STATE BOARD OF EDUCATION DISCUSSION

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Co-Chair Stoltze discussed the meeting agenda.

MICHAEL HANLEY, COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, introduced Esther Cox, Chair of the State Board of Education.

ESTHER COX, CHAIR, ALASKA STATE BOARD OF EDUCATION AND EARLY DEVELOPMENT (via teleconference), thanked the committee for its time.

Co-Chair Stoltze asked Commissioner Hanley to provide a narrative about Ms. Cox. Commissioner Hanley remarked that Ms. Cox had been a leader in education. He read from a handout on file:

Esther J. Cox was appointed to the State Board of Education and Early Development in March 2003 by Governor Frank Murkowski.

Ms. Cox was an Alaska educator for 33 years. She taught English in Anchorage and Juneau, and was head teacher for a special program for Alaska Native students, assistant principal at Service and West High

Schools, principal at Romig Junior High School, Anchorage School District Secondary Supervisor, and principal at the King Career Center in Anchorage.

While Ms. Cox was principal, Romig was recognized by the U.S. Department of Education as a "School of Excellence."

She has served as president of the Alaska Association of Secondary School Principals, president of the Alaska School Activities Association, and president of the National Association of Secondary School Principals, a 32,000-member organization. In 1995, she received the Milken Family Education Award.

Commissioner Hanley elaborated that Ms. Cox continued to serve as board chair and beyond in a variety of functions. He shared that it had been a pleasure to serve with Chair Cox.

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Ms. Cox provided a presentation titled: "Alaska State Board of Education and Early Development Annual Report to the Legislature for 2011" (copy on file). She discussed the structure of the board and would go on to highlight the report in members' packets (she had presented the report to the House and Senate Education Committees in February 2012 as a result of the implementation of SB 1, which had passed the prior session).

Ms. Cox explained that the board was on staggered five-year terms and members were appointed by the governor. No more than four members could come from the governor's political party and one member was required to come from each of the state's three judicial districts. Additionally, it was suggested that one member should be from rural Alaska (there had been a rural Alaska representative while she had been on the board). There was also one student and one military representative. Board members included Jim Merriner (Anchorage), Janel Keplinger (Kodiak), Phillip Schneider (Anchorage), Geraldine Benshoof (North Pole), Bunny Schaefer (Kotzebue), Patrick Shier (Juneau), Esther Cox (Anchorage), U.S. Army Lt. Col. Grant Sullivan (military advisor), and Tiarna Fischler (student advisor from Manokotak). Ms. Cox detailed that the second student advisor was selected in December (Madison Manning from

Newhalen) who would take Ms. Fischler's place when her term was completed in June 2012.

Ms. Cox continued to address board details. She communicated that the board selected the commissioner of the Department of Education and Early Development (DEED) on approval of the governor. She discussed the importance of the working relationship between the board, the commissioner, and the governor. She added that the commissioner worked at the pleasure of the board while the board worked at the pleasure of the governor.

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Ms. Cox explained that the DEED commissioner took guidance from the board and provided counsel to the board. She briefly discussed the Alaska Performance Scholarship (APS) and explained that the topic was high on the board's priority list. She stressed that the scholarship provided a great opportunity that some students may not have had otherwise. She relayed that one of the board's primary responsibilities was to pass regulations that helped the legislature pass laws. The board had been busy establishing GPA eligibility requirements, SAT/ACT and WorkKeys scores, and qualifying courses. A phase-in schedule had been implemented in the current year that allowed scholarship opportunities to go to students who graduated in the past year and for the next two years. A number of course titles had been approved for the APS curriculum; the board would continue to monitor all pieces of the APS.

Ms. Cox relayed that the board had adopted amendments to WorkKeys assessments; two years earlier the board had mandated that all eleventh graders take the WorkKeys assessment. She explained that WorkKeys had created thousands of job profiles that analyzed skill levels needed for specific occupations. For example, if a student was interested in becoming an engineer the job profile may specify that a level 6 in math was necessary for success; if a student only received a level 4, the assessment provided guidance for the student's curriculum pathway.

Ms. Cox communicated that the board had determined that it was up to the Individual Education Program (IEP) team for students with cognitive disabilities to decide whether a student should be required to take the WorkKeys assessment (the board had amended its original mandate requiring every

eleventh grader to take the WorkKeys assessment). She furthered that the board had issued a supplement for WorkKeys assessment in September 2011 clarifying the appropriate use of accommodations for students with disabilities and students with limited English proficiency (action was taken in January 2012).

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Ms. Cox discussed that the board had adopted the World-Class Instructional Design and Assessment (WIDA) standards for English language learners for pre-kindergarten (pre-K) through Grade 12. The board had amended a couple of regulations related to state assessments and adopted revised participation guidelines for students with disabilities. She believed the board was extremely sensitive to accommodating student differences and varying achievement levels. The board was able to respond to suggestions from stakeholders, identify new resources, and keep up to date on practices in accommodations. Work had been done with teacher certification and quality; there was a teacher quality subcommittee that was working on creating a teacher evaluation document model, which would include student achievement. The subcommittee would make a recommendation to the board in the near future.

Ms. Cox reported that the board had adopted several amendments to regulations pertaining to teacher certification. She furthered that every teacher moving from a three-year certificate to a professional five-year certificate needed to be employed as a teacher for at least two years. Additionally, the board had approved teacher preparation programs for elementary school math at the University of Alaska Southeast and for an endorsement at Alaska Pacific University (APU), and added an endorsement in the Career and Technical Education certificate program at the University of Alaska Anchorage. The board was also involved in teacher preparation programs and their review; it had been instrumental in the National Council for Accreditation of Teacher Education (NCATE) accreditation for APU.

Ms. Cox discussed that proper standards for students was one of the state's constitutional responsibilities. She elaborated that since February 2010 DEED, Alaska educators, and industry representatives had engaged in a process to replace the current content standards; the board knew that

the standards had been too low. Rigor was an important factor for the APS curriculum and student standards. The focus had been to ensure that students graduated from high school, college and career ready. New standards would be inclusive of kindergarten through grade 12 unlike the current kindergarten through grade 10 standards; the revision of grade level expectations would follow after standards were adopted by the board. Alaska had not implemented national Common Core standards that had been adopted by many states; Alaska's standards were more rigorous and development had been conducted by Alaskans for Alaskan students. She emphasized that standards would allow the state to utilize nationally developed curriculum and assessments. Standards were currently being vetted throughout the state; the board had allotted six months for public testimony, which was scheduled to occur a couple of weeks prior to the board's June 2012 meeting (DEED would make recommendations to the board at the June meeting).

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Ms. Cox conveyed that the new Alaska standards were aligned with college and work ready training expectations, included rigorous content and application through higher order skills, built upon strength and lessons of current standards, were equal to or more rigorous than Common Core standards, and related to real world applications. Work would begin on the new standards and assessments immediately following the June board meeting. She detailed that the new assessments would not be used for students until 2016.

Ms. Cox moved on to discuss the teacher mentorship program, which she believed was very good. In 2004 the program was initiated to increase teacher retention by helping new teachers (particularly rural teachers) to become more effective in their instructional practices within their first two years in the classroom. Due to budget cuts, currently there were 24 mentors working with 330 teachers in 142 schools located in 34 school districts compared to the prior year when there had been 28 mentors working with 401 teachers in 187 schools located in 43 school districts. She stressed that the program was successful. From an average rural teacher retention rate of 68 percent, the mentored teachers had been retained at 84 percent in 2010 and 2011. Additionally, there were promising results to start closing the achievement gap that was typical between

students of new versus veteran teachers. She relayed that when Jim Hickerson had been superintendent of the Bering Strait School District he had told her that 85 percent of the district's new teachers came from outside Alaska; she stressed that there were many cultural, geographical, and environmental differences for out-of-state teachers. She accentuated that mentors had helped new teachers in many ways.

Ms. Cox moved on to discuss early learning. She read from the report:

In 2009, the Legislature provided \$2 million for a pilot pre-kindergarten program that would include six sites. The purpose was to allow varied school districts to create preschool programs that incorporate Alaska's Early Learning Guidelines in ways tailored to their local communities.

Ms. Cox elaborated that the legislature had added two additional sites to the pilot pre-kindergarten program.

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Ms. Cox referenced an extensive report that showed there were still students performing below expectations. The board had endorsed DEED's Family Engagement Plan, which included action steps for parents, teachers, and community members that would ultimately impact student achievement. The plan in conjunction with the Early Literacy Plan provided actions that parents, caregivers, preschool teachers, and community members could do that would help students arrive at school ready to learn. She emphasized the importance of the issue. She pointed to various beneficial programs including Best Beginnings, the Imagination Library, and other.

Ms. Cox communicated that the board operated as the school board for Mt. Edgecumbe High School (a state-operated boarding school in Sitka for approximately 400 students). She stated that 78 percent of the student population self-identified as Alaska Native. The board had recently worked on credit requirement changes with Superintendent Randy Hawk and hoped to begin holding one of its board meetings at the school once a year.

Ms. Cox shared that along with other educators, she had attended Anchorage Mayor Sullivan's two-day education summit. The summit had highlighted the importance of world-class leadership (teachers and principals), community engagement and commitment, greater expectations for student success, and expanded choice opportunities for all students.

Ms. Cox relayed that the board planned to meet with the University of Alaska Board of Regents in June 2012 regarding teacher preparation, admissions, expectations, credit transfer, and other. She mentioned teacher evaluations tied to student achievement. She addressed various items on the board's horizon including continuing to monitor DEED work with intervention districts, dialogues with boards and superintendents of intervention districts, reports from districts that had exited intervention status (how had it gone, what worked, what could have used improvement, etc.), a board session on strategic planning, continuation of the implementation of the state Career and Technical Education Plan, additional work on state standards and assessments, and monitor and/or amend regulations for the APS.

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Co-Chair Thomas wondered why the Board of Education had not taken the success experienced at Mt. Edgecumbe to other districts in the state. He referenced high student success at the high school. He thought that stellar work and education strategies used at Mt. Edgecumbe needed to be shared with the other school districts. He referenced comments he had made during a committee meeting the prior day related to school failure and success.

Ms. Cox agreed that Mt. Edgecumbe was very successful. She explained that it was a residential school where students led very structured lives. Students had study time and chaperoned activities; it was a very controlled environment compared to public schools. The school worked well for its 400 students. There were many adults working with the students; if intervention was needed there was an adult present all of the time and dormitories had 24-hour supervision. She believed that the environment contributed to the success of the school. She emphasized that the educational and living environment was very different from regular school districts and believed that it contributed

"mightily" to the school's success. She told a story about a student in the Nenana boarding school who had said that she did not like getting up in the morning or going to school. She stated that sometimes more structured environments helped students.

Commissioner Hanley pointed out that the Mt. Edgecumbe graduation rate was 87.8 percent compared to the statewide number of 68 percent. The school's dropout rate was 0.3 percent and the number of students deemed proficient on the standards based assessments were 84 percent in reading, 83 percent in writing, and 75 percent in math. He believed that sometimes the detrimental aspects of a child's life were removed in a boarding school and that focusing on positive aspects provided for greater success.

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Representative Wilson referenced Ms. Cox's testimony that the board had chosen not to use the Common Core standards. She noted that Anchorage had elected to use the Common Core standards in order to have the ability to compare its testing to the rest of the U.S. She wondered whether the school board would take the topic up for discussion.

Ms. Cox responded that a lot of discussion was needed on the issue. She thought that Anchorage may include some of the more rigorous Alaska standards in with the Common Core standards. The board was hoping that much of the curriculum designed for the Common Core would be applicable to Alaska's standards and some of the assessments.

Representative Wilson referred to intervention districts and wondered when it was the responsibility of DEED or the school board to step into a school district when grades continued to fall. She wondered whether the board had discussed the idea of sending someone into the districts to provide more help than they currently had.

Ms. Cox replied that the board had discussed the issue. She explained that there was a fine line to walk and that it was dictated by No Child Left Behind; levels were stipulated and she believed once a level 5 was reached that intervention occurred. At the same time, the state had always believed in local control; therefore, work would have to be done with the local school board and district. There were issues outside of classroom learning that were

difficult to get a handle on such as attendance, cultural differences, and other. She stated that teacher retention had been an issue in the past; she highlighted an example of a principal in rural Alaska leaving without providing notice. She reiterated that the board did discuss the issue and that it worked closely with the DEED commissioner and deputy commissioner. She added that the Northwest Arctic School District had been taken off intervention and was doing well.

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Representative Wilson understood that the issue was difficult and agreed that local control was important. Over the interim she hoped to examine when intervention should take place if districts were failing their students. She understood the struggle related to the issue. Ms. Cox concurred that it was a struggle.

Representative Gara agreed with comments that Mt. Edgecumbe was successful. He pointed to the governor's proposed budget and observed that it included a DEED increase reflecting increasing salaries and benefits. He wondered whether Mt. Edgecumbe had been inflation-proofed for salary and benefit increases. Commissioner Hanley answered in the negative. The current budget included an increment for heating system upgrades. The Department of Administration had just completed teacher contracts for Mt. Edgecumbe.

Representative Gara asked whether the budget would reflect teacher salary increases for Mt. Edgecumbe. Commissioner Hanley responded in the negative. He clarified that the funding allocated to Mt. Edgecumbe had not changed aside for the increments included in the governor's proposed budget.

Representative Gara asked for verification that the new contracts had not been included. Commissioner Hanley believed the answer was no, but would follow up on the question.

Representative Costello asked Ms. Cox where would she go and why if she had to go back to high school in Alaska. Ms. Cox responded that she would go to Mt. Edgecumbe or South Anchorage High School for two different reasons. She was very interested in the residential program scenario offered at Mt. Edgecumbe. Her interest in South Anchorage was a

result her past employment as the educational consultant when the high school had been built; she noted that it would be fun to be a student in the school to see how it worked.

Representative Costello believed she would go to King Career Center. She mentioned at-risk students and believed the center offered hands-on learning with meaningful connections that provided kids with skills that were relevant to the real world. She observed that Ms. Cox had been the principal at the center in the past. She wondered how to replicate some of the center's best practices (that engaged students and she believed were the way of the future) in the school system.

Ms. Cox replied that the items listed were taken into consideration at the beginning of the core technical plan implementation. She elaborated that the King Career Center was very successful because it provided students with hands-on learning and a relevant education. She surmised that part of the strategy could be easily transferred to the academic classroom; it began to make sense to students if they understood why they were being taught certain things and how the material applied to the real world. The beauty of the King Career Center was that it engaged students in the education process. She pointed to the construction academies throughout the state that allowed students to do hands on activities and to learn job entry skills in an extended day format; she believed it was important for kids to have access to the programs. She disputed the belief that kids could only learn between 7:30 a.m. and 2 p.m. There were challenges that faced students currently that had not been an issue in the past such as the responsibility of a child or working to take care of a family. She opined that if schools were accessible during non-traditional hours it would help bring students in.

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Ms. Cox continued that kids who may be at risk for dropping out in a traditional school did not drop out in the career center. She believed the structure could be replicated in any type of school system.

Representative Joule referenced the discussion on boarding schools and told a related family story. His family members had historically attended boarding schools; he had attended

Copper Valley School and his wife had gone to St. Mary's; their daughters had attended Mt. Edgecumbe in 2003 and 2004. He understood that districts were having conversations about regional boarding schools and he wondered whether the State Board of Education was considering the possibility.

Ms. Cox responded that the board had not pursued the idea of additional regional boarding schools. The board had worked to support existing regional boarding schools. She noted that Galena had recently increased its number of beds to 25.

Representative Joule wondered whether school districts talked to the board or DEED about the regional boarding school concept. Commissioner Hanley replied that he had had several conversations regarding regional boarding schools, but there had been no specific propositions for the board to consider. He was very supportive of the current boarding school models. He believed the value came when the schools were driven by a local vision and desire for a particular model. He listed various successful models including the Bethel Alternative Boarding School, the Magnet School of the North, and other.

[Co-Chair Stoltze passed the gavel to Vice-chair Fairclough.]

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Representative Gara discussed that Mt. Edgecumbe was state funded. He wondered who paid for salary and benefit increases if the state did not fund them. Commissioner Hanley responded that the negotiation of a higher salary for teachers did not necessarily mean there would be more money going into the school. He would follow up on the question with more detail.

Representative Guttenberg asked whether there was a special program underway at South Anchorage High School. Ms. Cox replied that she had been the educational consultant when the school was under construction. The final analysis of a school occurred when the school began; when the delivery of an educational system began it needed to flow and work. She noted that she had grandchildren who had attended the school; therefore she had seen it from the perspective of a

spectator. She believed the school would be a fun thing to see from the perspective as a student.

Representative Guttenberg asked about multi-grade elementary school classrooms. He wondered about the board's experience with the classrooms and whether they occurred in districts throughout the state. Ms. Cox believed that the multi-grade elementary classrooms probably did take place throughout the state; however she did not have information on the issue. She surmised that the issue would depend on how a community viewed its school and how children were grouped; multi-groupings were a reality in small rural communities. She guessed that many people in her age category had gone to one-room schoolhouses that had multi-age groupings.

Representative Guttenberg understood that the multi-grade classrooms were the only alternative in rural communities; however, the purpose was different in urban settings. He was interested to know how the structure fit in urban schools and what was working. Commissioner Hanley replied that the multi-grade grouping was done out of necessity in some instances and by choice in others; the reason for necessity related to the number of teachers matched with students from different grade levels. In some instances the choice was offered given that older students are great models for younger students and cooperative learning is beneficial.

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Vice-chair Fairclough discussed that the committee had been hearing from educators throughout the state during the week; one teacher she had met with suggested that it would be helpful for the State Board of Education to have a current school teacher on the board. The teacher had explained that a teacher would be familiar with the present challenges facing teachers that may be different than those even several years earlier.

Ms. Cox replied that the idea of having a current teacher on the board had been addressed in the past; a teacher could be appointed to the board. The board had decided against the idea of including a teacher in order to avoid opening up the idea for other professions that may want to contribute as well. The board had concluded that it may work better for a teacher to be appointed as a regular

member. She added that at one time there had been a teacher on the board from Fairbanks.

Representative Guttenberg noted that the teacher from Fairbanks was Suzie Stitham.

Vice-chair Fairclough asked the board to take up the conversation again on the subject for consideration. Ms. Cox shared that there was currently an elementary school principal on the board from Kodiak. She also tutored in an elementary school once a week. She assured the committee that the board would take up the conversation related to the idea of having a current teacher on the board.

Ms. Cox thanked the committee for the opportunity to testify.

Co-Chair Stoltze was happy that the meeting would make more Alaskans aware of the State Board of Education.

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RECONVENED

^PRESENTATION: ALASKA POLICY FORUM

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Co-Chair Stoltze read a biography for Alaska Policy Forum speaker David Boyle [due to technical difficulty this portion of the meeting was not recorded].

DAVID BOYLE, RESEARCH ASSOCIATE, ALASKA POLICY FORUM (via teleconference), thanked the committee for the opportunity to testify. He described the Alaska Policy Forum as the only free market think tank in the state; it focused on education, fiscal accountability, and transparency in government. The entity was 2.5 years old, operated as a 501(c)(3) non-profit organization, and relied solely on citizen contributions. He compared the organization to multiple entities including the Heritage Foundation, and the Cato, Hoover, and Brookings Institutions.

Representative Gara referred to language on the organization's website that said the group focused on a

conservative perspective on education; principles were listed and included the statement "free people are not equal and equal people are not free." He asked how the statement informed the organization's work.

Mr. Boyle replied that the statement reflected the group's belief that everyone should have an equal opportunity, but that people under communist or socialist systems were not free.

Representative Gara referenced an article from a couple of years earlier indicating that most of the organization's money came from outside of Alaska and that its donors were not revealed. He asked whether the information was accurate. Mr. Boyle replied that the organization was private and confidentiality was provided to its donors. He shared that most of the organization's funding the prior year had been provided by donors in Alaska.

Mr. Boyle pointed to page 2 of a presentation titled "School Choice: Options that Work for Alaska" (copy on file). Page 2 included a bar graph illustrating a U.S. Department of Education breakdown of the cost per student by state in 2011. He communicated that Alaska ranked near the top of the list at approximately \$15,300 per student; its costs were exceeded by New Jersey, D.C., and New York. He acknowledged that costs were high in some rural areas due to energy, transportation, and infrastructure costs. He stated that despite the state's high investment the desired results had not been achieved.

Mr. Boyle moved to page 3 titled "Upper-Middle Income Students 4th Grade Reading 2011 NAEP Test Scores." He stated that the grade level had been chosen because children were supposed to be able to read by the age of four. He referenced a saying that "once you read by the age of four, you read to learn." Co-Chair Stoltze clarified that it was fourth grade and not age four. Mr. Boyle affirmed.

Representative Doogan asked what NAEP stood for. Mr. Boyle responded that the term stood for the National Assessment of Educational Progress. He explained that figures were derived from a random 10 percent sample of students tested throughout the country every two years. He shared that the sample could be used to compare Alaska's progress and student achievement to other states.

Mr. Boyle pointed to page 4 titled "Low Income Students 4th Grade Reading 2011 NAEP Test Scores" showing that Alaska's low income 4th graders were second from the bottom of the list. He stated that it was commonly said that Alaska had a disproportionate number of low income students, which brought down the NAEP scores. He turned to page 5 titled "% of Low Income Students by State 2011" depicting that Alaska was almost in the lowest quartile of the percentage of low income students. He discussed that all data showed that income, social class, ethnic group, and race had very little to do with student achievement. He opined that all students could excel if they were challenged with high goals. He furthered that there were "shining" examples demonstrating that more money did not solve the problem. He communicated that in 2001 Dr. Ben Chavis had taken the lowest performing middle school in Oakland, CA and had turned it into the number one middle school in all of California. He furthered that the success had occurred despite a student population that was 98 percent low income, 85 percent on free and reduced price lunches, and 45 percent spoke English as a second language. He added that the success had been achieved on a budget that was 30 percent lower than that of a comparable Oakland school.

Mr. Boyle turned to page 6. He stressed that focus should be on "the destination of the wagon and not be distracted by the turning of the wheels on the wagon." He stated that attention tended to be on the "input" side of the equation including items such as base student allowance, physical plant, transportation, and social services. He believed focus should be on the "output" including items such as increased student achievement, increased graduation rates, student engagement and motivation, teacher engagement, and classroom environment.

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Mr. Boyle addressed page 7 titled "Causes of Low Education Performance." He believed the state had very low goal setting. He stated that the high school exit exam was set to the eighth grade level. He explained that the state had used the Iowa Tests of Basic Skills in the late 1990s, but the metric had been changed to the California Achievement Test and changed again to the Standards Based Assessment (SBA), which made it hard to compare students in Alaska to those in other states. He stressed that the "cut scores"

for the SBA were very low in comparison to the NAEP. He stated that "as long as goals are set low, students will walk over them." He opined that goals should be set high to encourage students to push themselves and to surprise themselves with their abilities. He asserted that some schools had lost their focus on education. He believed that districts were distracted with providing social services (many of which came with federal grants). He stated that districts succumb to mission creep because they wanted to provide more to make up for dysfunctional families; districts devoted many resources and time to providing social services when they should be concentrating on education. He believed no studies showed that pre-kindergarten had any lasting effects beyond the third grade. He indicated that the cost of implementing some proposals in the legislature cost more than estimates to implement school choice.

Mr. Boyle opined that another contributor to low student performance was rigid collective bargaining units used by districts; during times of teacher reductions the last hired were the first to be let go. He furthered that teachers were not let go based on performance and their success as educators. He emphasized that some of the younger teachers may be the most motivated, have the best ideas, and be outstanding performers; whereas, some of the more senior teachers may be burned out, lack motivation, and see little reason to perform because no penalty existed. He stressed that the good teachers should be rewarded for their efforts and the impact they have on students. He communicated that successful examples of the model existed and stated that "this is about the kids, not the adults."

Mr. Boyle identified cost control as another cause of low education performance (page 7). He believed that there was little incentive to contain costs because the more districts spent the more they received. He added that the system worked the same for the federal government; authorized funding needed to be spent by the fiscal year-end or funds would be cut the following year. He furthered that poor performing schools were rewarded with additional funding. He opined that the system should reward high performance schools and that incentive should be provided for all schools, districts, and teachers. He emphasized that school choice rewarded the best performing schools. He felt that the overarching cause of the current problems was

a result of a lack of competition; without competition a monopoly had no need to improve. He compared the lack of competition in schools to shoe stores selling only one type of shoe; a shoe store carrying a selection of shoes would incentivize the other stores to improve. He expounded that competition improved products and services and provided a better value for all consumers. He believed the same was true for the education system.

Mr. Boyle addressed possible solutions to low education performance. He stated that possible solutions included education tax credits and distance learning (e.g. Khan Academy, MIT, and Stanford University).

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Mr. Boyle discussed vouchers as a solution to low education performance (page 7). He stated that all of the mentioned solutions were used throughout the U.S. and had a demonstrated record of success. He relayed that vouchers had been used in Milwaukee since 1990 and had resulted in increased student achievement and lower public school cost. He stated that variable operating costs of a school should decrease as students left. He pointed to the D.C. Opportunity Scholarship program as a success that allowed students to use \$7,500 (of the \$15,000 annual per student cost) to attend the school of their choice. He pointed out that a randomized study showed that students with vouchers in D.C. had a 12 percent gain in high school graduation rates. He shared that Florida students had the option to use vouchers as well.

Mr. Boyle turned to a graph on page 8 titled "Combined NAEP Gains Math and Reading, 2003-2011 Alaska vs Voucher Jurisdictions." The graph illustrated the impact of vouchers on five states compared to Alaska. He stressed that Florida ranked high with 54 raw points and Alaska was at negative 3 raw points. He communicated that some school boards had chosen school vouchers in order to avoid bankruptcy (e.g. Douglas County Colorado School District).

Mr. Boyle moved to page 9 titled "The Future." He provided a closing statement:

We cannot keep doing things the same way and expecting different results. Other states have shown us what works. We cannot afford to have Alaska children fall

through the cracks, blaming those external to the educational system. These kids are too important to keep throwing dollars at the same reoccurring problems with no accountable results. We need to concentrate on the output of the system. Will we be in the same place next year or in three years? Are we going to try something different? It has been repeated over and over before this committee that all children learn differently and yet Alaska has poured tremendous resources into creating a one-size-fits-all system. We can do better for Alaska and its children and we should. In closing, we have some very dedicated educators and teachers in Alaska, working hard every day to help their students achieve their maximum potential. We have students who do great. We also have many students who are not challenged, are not motivated, are bored, just give up, and can't see the worth of going to school. Some kids just don't fit in socially. School vouchers, we prefer to call them education fund dividends, just like the Permanent Fund Dividend, would empower parents, engage them in their children's education, and ensure a better educational fit for their child.

Mr. Boyle thanked the committee for the opportunity to testify.

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Representative Doogan wondered what evidence existed showing that the factors listed on page 7 led to low education performance.

Mr. Boyle replied that the system [in Alaska] had low goals; 80 percent of students passed the SBA, but Alaska students scored a 25 on NAEP tests, which was significantly below average. He stated that if the state had continued to use the Iowa Tests of Basic Skills or the California Achievement Test it would have been able to compare itself to other states. He remarked that some Anchorage School Board members had admitted the state had low goals at a recent board meeting. He restated that the state's goals and standards were too low. He believed the state's educational system had mission creep because it was concerned with providing meals to children. He acknowledged that the issue was important, but believed that the educational system should focus on educating children. He

felt that there were inflexible collective bargaining units; for example, in Anchorage charter schools it was necessary to hire school positions through the school district's personnel pool. He pointed to the "last hired, first fired" practice and noted that no business would operate in that way; other businesses screen personnel and provide annual evaluations (good performers would be kept and poor performers would be let go). He emphasized that businesses could not keep "dead wood on the rolls." He opined that the practice of retaining poor performing teachers was not fair to other teachers. He turned to cost control and stated that more money was thrown at the educational system on an annual basis. For example, local spending in the Anchorage School District had increased by 240 percent between 1993 and 2011; Anchorage district per student revenue had increased 54 percent. He stated that during the same period inflation was 52 percent. He concluded that the school district's operating budget had doubled in the past 10 years (with a static ADM).

Representative Doogan repeated his question related to a cause and effect relationship between low education performance and listed solutions. He wondered whether the position was philosophical or backed by studies. Mr. Boyle believed that the data related to the Anchorage School District provided evidence. He reiterated that the school district's cost had doubled in the past 10 years, student achievement had "done nothing" (based on SBA scores), and the ADM remained static around 48,000 members. He stated that the cost per student had skyrocketed up to nearly \$17,000. He expounded that there were many failing and near-failing schools in the Anchorage district based on the SBA, most of which were located in the lower income areas of the city.

[2:58:33 PM](#)

Representative Doogan did not believe Mr. Boyle was answering his questions. He communicated that the committee had witnessed the Anchorage School District budget increase by 100 percent in the past 10 years; he did not believe the argument was persuasive.

Co-Chair Stoltze remarked that the Alaska Policy Forum was consistent on its message related to decreasing state spending.

Representative Gara referred to Mr. Boyle's testimony that no voluntary pre-kindergarten was successful. He asked whether Mr. Boyle had read the Perry Preschool study that followed students for approximately 40 years. The study had shown that students who had attended preschool earned more money, experienced higher high school and college graduation rates, and committed less criminal activity compared to peers who had not attended preschool.

Mr. Boyle asked whether the study had been done in the mid-1960s.

Representative Gara responded that the study had started in the mid-1960s and had followed the subjects for more than 30 years. Mr. Boyle replied that the only study he was familiar with had used approximately 110 students in 1965 and 1966. He was not familiar with any other studies. He added that a Head Start study released by the federal government had indicated that there were no long-term lasting effects of education past the third grade (the current Head Start study had not been released at present).

Representative Gara disagreed, but did not want to debate the issue. He referred to Mr. Boyle's testimony that providing children with meals was mission creep. He communicated that there was evidence that hungry children did not perform as well as well-fed children. He wondered why the providing of meals was mission creep.

Mr. Boyle believed that parents were responsible for feeding their children. He discussed what he had eaten as a child and believed he had done well in school. He opined that the government was replacing the parent and family when it stepped in and took parents' responsibility to feed their children away. He stated that the goal was to involve parents in their children's education. He supposed that the group of students who needed the service was very small; however, the program was expanding and 44 percent of the students in Anchorage were on free and reduced price lunches. He furthered that Alaska's poverty level was not very high and that all it took to register a child for the service was the completion of a form. He opined that everybody would be on the free and reduced price lunch program soon.

[3:02:48 PM](#)

Representative Gara relayed that he had been on the free lunch program and it had helped him. He observed that people did not all grow up in the same type of family. He asked whether Mr. Boyle agreed that not providing food for children who did not receive it at home (due to irresponsible parents or parents without resources) was irresponsible.

Mr. Boyle believed there were few parents who did not have the resources to feed their children. He discussed that there were other existing programs such as food stamps that would allow parents to provide food for their kids. He furthered that it did not take much to provide a bowl of cereal or a peanut butter sandwich before school or a brown bag lunch (he discussed his personal experience with brown bag lunches growing up - his father had made lunch for six kids every morning).

Representative Gara discussed that when Mr. Boyle had run for school board in 2009 he had listed his top four priorities (out of a list of 8 that had been provided by the surveyor) as expanding vocational education, adding teachers to reduce class sizes, offering new teachers a defined benefit retirement plan, and making it easier for teachers to obtain tenure. He observed that the measures were all relatively costly. He wondered how the priorities were compatible with Mr. Boyle's current belief that schools were spending too much money and that teachers should be easier to let go.

Mr. Boyle asked whether the survey had been conducted by the Anchorage teachers' union.

Representative Gara responded that the survey had been published on March 27, 2009 in the Anchorage Daily News (ADN). He did not know the source of the survey.

Mr. Boyle responded that he had run for school board in 2008 and 2009. He remarked that he had become smarter and had further educated himself.

Representative Doogan relayed that the ADN only published surveys that it conducted.

3:06:47 PM
AT EASE

3:13:33 PM

RECONVENED

#hb258

HOUSE BILL NO. 258

"An Act directing the Department of Transportation and Public Facilities to develop and implement standards and operating procedures allowing for the use in the construction and maintenance of transportation projects and public facilities and in the construction of projects by public and private entities of gravel or aggregate materials that contain a limited amount of naturally occurring asbestos, and authorizing use on an interim basis of those materials for certain transportation projects and public facilities; relating to certain claims arising out of or in connection with the use of gravel or aggregate materials containing a limited amount of naturally occurring asbestos; and providing for an effective date."

3:13:48 PM

BRODIE ANDERSON, STAFF, REPRESENTATIVE REGGIE JOULE, had previously discussed changes appearing in the committee substitute (CS) for HB 258. He noted that new fiscal notes had been disseminated to member packets. The sponsor had worked closely with all involved departments including Department of Transportation and Public Facilities (DOT), Department of Environmental Conservation (DEC), Department of Law (DOL), Department of Labor and Workforce Development (DLWD), and other.

Co-Chair Stoltze asked whether members had all the amendments pertaining to the legislation. He asked staff to compile a packet of amendments to distribute to committee members. He believed there were three amendments.

Mr. Anderson discussed that the collaborative work on the bill had been a success. The fiscal notes had evolved and reflected changes in the legislation.

Co-Chair Stoltze noted that representatives from multiple departments and Nana Regional Corporation were available to testify.

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Representative Gara relayed that his preference would be that non-asbestos containing alternatives would be used if available. He pointed to language on pages 6 and 7 that specified the item would be considered, but it was not mandatory that non-asbestos material was used. He believed another part of the bill made the item mandatory and asked for an explanation.

Mr. Anderson replied that the designation of use of gravel versus naturally occurring asbestos (NOA) gravel was found in the site-specific use plan (pages 7 through 9). He explained that the section established stages of how to approach the issue. He referred to the flow chart included in members' packets (copy on file). He elaborated that the use of non-NOA material was required when it was economically reasonable.

Representative Gara noted that the new language took care of one of his concerns. He believed the sponsor had worked to address the concept of another of his concerns. He elaborated that there were three villages where there was known NOA that may need to be used due to the absence of any other viable options. He believed there should be signs posted to inform residents of potential airborne asbestos containing materials in the area; Amendment 2 addressed the issue. He wondered whether the posting of signs had been addressed in the bill.

Mr. Anderson replied that Roger Healy from DOT was available to discuss signage and notification. He furthered that the bill included the requirements to provide ample notification of the NOA zones.

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Representative Gara clarified that he wanted to make sure that people were made aware of the NOA use so they could notify the government if there were alternatives available. He also wanted people to be informed of the work taking place so they could choose to wear a mask or take other precautions.

Mr. Anderson pointed to page 11, lines 17 through 23. The bill had been expanded from the language "workplace safety" to read "and air quality standards relating to the project

and to ensure the health and safety of communities affected by construction projects that use gravel or other aggregate material containing naturally occurring asbestos." The language did not directly address the notification, but it did expand the requirements to workplace and community safety.

ROGER HEALY, CHIEF ENGINEER, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, replied that public notification took on several different forms from the department's perspective. One issue was related to workplace safety and workers during construction; another aspect related to the public during and after construction and how materials were contained. He believed the intent of Amendment 2 was to ensure that some form of public and potentially future worker notification existed. He recommended that details should get ironed out in the regulation process. The department was under obligation in workplace safety to do Material Safety Data Sheets and other similar notifications. He reiterated his recommendation to work out the appropriate signage notification through regulation.

Representative Gara agreed and did not want to specify what the sign should look like. He was also concerned about residents in areas where the asbestos may be airborne due to construction. He wondered whether there was anything in the bill that required the department to provide the notification that would be implemented by regulation. He stressed that he wanted the issue addressed in the legislation.

Mr. Healy responded that there was a requirement for workplace notification. Additionally, there were many requirements for notifications of hazards to public in a construction zone. He detailed that hazards could include naturally occurring asbestos, dust, machinery, etc. He added that the overall notification of a construction zone and its potential hazards was broad.

Mr. Anderson pointed to language included on page 7 (lines 2 through 4) related to NOA zone setup requirements that read "the department shall notify potentially affected persons that the area has been designated in an area where immunity may be granted under AS 09.65.245(a)." The requirement was applicable to the zone and surrounding areas that may be impacted by airborne materials.

[3:27:17 PM](#)

Vice-chair Fairclough pointed to page 6, line 17 that read "for causing asbestos related injuries." She wondered why the specific language had been used. She believed it could imply to a litigant or a worker who contracted a disease (that may be related to exposure) that the specific exposure was the cause of the related illness. She wondered whether the meaning of the language "was contributing to or causing" or if it was acceptable to have a blanket statement recognizing the connection that a contractor or community had a liability if they chose to mine a certain area. She queried why the specific language had been chosen.

Mr. Anderson replied that the language had been changed in a prior committee from a broader statement of asbestos injury. There had been concern with previous language that there was a chance that if there was an accident related to faulty machinery that the company may be able to use the asbestos related injury claim and therefore obtain immunity from responsibility of the accident.

EMILY NAUMAN, ATTORNEY, LEGISLATIVE LEGAL SERVICES (via teleconference), added that the language was meant to link back to injuries listed on page 4, line 4 including death, injury, illness, disability, property damage, or any other damages resulting from the use of gravel or other material that contained NOA.

Vice-chair Fairclough surmised that the "contributing to" was not an issue because the language on page 6 referred to a list of specific items on page 4. Ms. Nauman responded in the affirmative.

Vice-chair Fairclough noted that the reference to California's Air Resource Board Method 435 provided her with some comfort that at least one state was working to access aggregate material that contained naturally occurring asbestos (page 6, line 6). She looked at the interim standards for application of asbestos bulk testing on page 14, which used the California standard. She wondered whether the state would continue to rely on California language or if the term "interim" implied that the standard would change. She asked if it was appropriate to include the California standard in state statute if a change was possible.

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Mr. Anderson answered that while Alaska was developing its regulations the California standard would be used. Once DOT had written the regulations there would be a discussion to determine which method of testing would be used going forward. The idea was to avoid limiting the state to the California standards and to allow for room to expand. He explained that California had not placed its standard in statute; therefore, it had flexibility and had been able to change the standard from 5 percent down to 0.25 percent.

Vice-chair Fairclough explained that the California reference would be embedded in state statute if it was included on page 6 of the legislation. She elaborated that the bill did discuss that DOT would develop standards, but the legislation did not include a section that would repeal the California standard once Alaska's own standards had been established.

Mr. Healy replied that one of the points of identifying the California method was because of the detection limit that offered the analytical declination 0.25 percent and below. The reference on page 6 provided the state with guidance related to the detection limit and the level of asbestos.

Vice-chair Fairclough responded that she was fine with the language and reiterated that it would be used throughout a statute. She wondered why a maximum amount of naturally occurring asbestos had not been included in the legislation.

Mr. Anderson responded that the largest concern from DOL and DOT was the idea that a number was arbitrarily selected that could not be justified through data or other sources of information. He furthered that it had been difficult to establish an analytical threshold for the floor based off of data that could be justified if it was ever taken to court; the same was true for a maximum threshold, given that a significant amount of data did not exist.

Representative Gara communicated that he wanted people near construction zones to be aware of potential airborne asbestos. He pointed to page 7, line 2 that read "the department shall notify potentially affected persons" that there may be airborne asbestos. He wanted to make certain

that notifications were decipherable. He believed his Amendment 2 was too complicated and wondered whether it would be feasible to insert the words "including through signage" following "the department shall notify" on page 7, line 2. He explained that the language would provide departments with flexibility when designing and posting the notice.

Representative Joule asked DOT whether it would post signs with or without the insertion of the words "including through signage."

Mr. Healy replied that he did not believe signs were posted for items such as the exposure of diesel fuel during construction. Under current statute DOT would not post signs making the public aware if the department or other was using naturally occurring asbestos in a component of a construction project. He deferred to DEC for additional detail. He believed the best way to notify the public was project and site dependent in many ways. He added that much of the bill and potential regulations had been patterned off of the California method; it did not use signage of the sort mentioned.

Representative Joule surmised that locals in the Ambler and Upper Kobuk areas were aware of the issue and signage would probably not be necessary for them; however, he wondered how non-residents would know about the issue. He thought it may not be an issue for locals because they would just be happy to have jobs. He wondered whether the sign would be beneficial for people coming in from outside the areas. He asked how the change would impact the fiscal note and wondered whether it would need to be brought back before the committee.

Mr. Healy replied that there were two issues, (1) whether signage should be posted presently because of the naturally occurring asbestos that currently existed in the Ambler and Upper Kobuk areas and (2) should signage be used during construction and operation of projects. One issue related to new projects and the other related to existing conditions. The department would need to know whether it was expected to post signs under one or both circumstances in order to determine the fiscal note impact.

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Representative Doogan queried whether the signage impacted the state's legal liability one way or the other.

SARITHA ANJILVEL, ASSISTANT ATTORNEY GENERAL, TRANSPORTATION SECTION, CIVIL DIVISION, DEPARTMENT OF LAW (via teleconference), addressed whether signage would present any legal liability to the state. She responded that under the bill's current form it presented immunity to the state provided that regulations were followed; regulations would include site-specific plans and notice of potentially affected persons. The language was vague to allow DOT to make notice requirements in its own regulations. She reiterated that immunity would be preserved if DOT followed its own regulations.

Co-Chair Stoltze concluded that it would pay off to post signs. Ms. Anjilvel responded that if DOT regulations were structured to require the posting of signs, the regulations would need to be followed. The state had to follow its own rules.

Co-Chair Stoltze surmised that DOT would be posting signs with or without the additional directive language in the legislation. Ms. Anjilvel agreed.

[3:47:45 PM](#)

Representative Gara relayed that he may offer Amendment 1 on the House floor, but would not offer it in committee (copy on file). He discussed the serious nature of asbestosis and mesothelioma. Asbestos became a problem when it was airborne, not when it was undisturbed. He understood the desire to limit the liability of those involved because they were in a difficult situation. Amendment 1 would have prohibited class actions and punitive damages; however, it would provide people with compensatory damages to pay for health care costs, lost wages, or other basic damages. He hoped people would think about the concept and any potential alternatives.

[3:50:09 PM](#)

Representative Gara WITHDREW Amendment 2 (copy on file). He MOVED to Amend Amendment 3 to read:

Page 6, line 19:

Insert "after at least 2 public hearings," after "request."

There being NO OBJECTION, Amendment 3 was AMENDED.

Co-Chair Stoltze OBJECTED to Amendment 3.

Representative Gara explained that he had originally thought a public vote on the use of the asbestos was a good idea; however, many people believed that was not the right way to go. Under the current legislation a municipality could opt in, but that did not necessarily mean the municipality would work with the public (notices could be unclear and difficult to understand). Amendment 3 would require at least two public hearings on the issue. He believed the communities in Representative Joule's district had already gone through a public hearing process.

Representative Joule responded that all municipality meetings and agendas were public. He thought municipalities went through several public hearings on issues. He believed the issue was already accomplished, but asked for an opinion from DOT.

Mr. Healy responded that the current public meeting requirement would apply to DOT and third-party projects. He furthered that DOT would require two public meetings for any project seeking plan approval for the use of naturally occurring asbestos. The requirement placed the burden on the department to complete the use in accordance with the plan and to have two public meetings.

Co-Chair Stoltze asked about the intent of Amendment 3 and whether the public meetings would be held by the locality or a state agency.

Representative Gara assumed that the public hearings would be held by the municipality or community.

Co-Chair Stoltze noted that the language could be interpreted that DOT would be required to hold public meetings.

Representative Joule agreed. He believed the goal of the amendment was already in place.

Representative Gara, in response to a question by Co-Chair Stoltze, WITHDREW Amendment 3. He believed the amendment should be rewritten and offered on the House floor. He noted that the public tended not to follow normal assembly meetings unless an issue was highlighted beforehand.

Representative Joule did not know whether the requirement would change anything in terms of public action. He believed either the public would be interested in an issue or not. He noted that the whole town of Ambler had shown up to multiple meetings in support of the work. He would work on the issue with Representative Gara.

[3:55:56 PM](#)

Representative Gara MOVED Amendment 4:

Page 7, line 2, after "notify" and Page 13, line 22 after "notify" insert ", including through signage,"

Co-Chair Stoltze OBJECTED.

Representative Joule had no objection.

Co-Chair Stoltze WITHDREW his objection.

Representative Costello observed that the amendment related to bill version L. Representative Gara clarified that the Amendment related to bill version Y.

There being NO further OBJECTION, Amendment 4 was ADOPTED.

[3:57:58 PM](#)

AT EASE

[3:59:43 PM](#)

RECONVENED

Vice-chair Fairclough discussed the fiscal notes (copy on file). She highlighted zero fiscal notes from the Departments of Law and Natural Resources. The third note was from the Department of Environmental Conservation for \$27,800 in FY 13, \$28,200 in FY 14, and \$10,700 per year for FY 15 through FY 18. The next note affected the Department of Transportation and Public Facilities in the amount of \$210,100 in FY 13, \$190,600 in FY 14, \$121,800 in FY 15, \$66,800 in FY 16, and \$31,500 for FY 17 and FY 18

for full-time equivalent positions. The fifth fiscal note impacted the Department of Health and Social Services for \$21,300 in FY 13, \$20,100 in FY 14, and zero for FY 15 through FY 18. She noted that the DHSS note backup showed a 0.10 health program manager position that was not referenced elsewhere on the note.

Mr. Anderson communicated that DHSS would need the health program manager position while regulations were developed in the first two years. He believed the increment was included under "Personal Services" and not in the "Positions" category.

Vice-chair Fairclough communicated that the remaining fiscal note was a zero allocation for FY 13 through FY 18 for the Department of Labor and Workforce Development.

Representative Joule concurred with the fiscal notes.

Representative Doogan believed that the legislation would cost approximately \$260,000 in the first year and would decline in subsequent years.

Representative Joule responded in the affirmative.

Vice-chair Fairclough MOVED to report CSHB 258(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

Representative Gara OBJECTED for discussion. He communicated that he wanted to help Representative Joule's district, but he expressed concern that there was no safe level of airborne asbestos established (California had reduced the level to 0.25 percent) and that he did not have a way of knowing the right level. He WITHDREW his OBJECTION.

Vice-chair Fairclough clarified that the California 0.25 percent represented a floor level and not a ceiling.

There being NO further OBJECTION, CSHB 258(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from Department of Transportation and Public Facilities, one new fiscal impact note from Department of Environmental Conservation, one new zero note from Department of Natural Resources, one new

zero note from Department of Law, and previously published fiscal notes: FN1 (DLWD), FN3 (DHSS).

Co-Chair Stoltze discussed the schedule for the following day.

Representative Gara made an apology to Mr. Boyle. He believed he should not have gone through Mr. Boyle's prior school board record.

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ADJOURNMENT

4:08:29 PM

The meeting was adjourned at 4:08 p.m.