

**ALASKA STATE LEGISLATURE
HOUSE RULES STANDING COMMITTEE**

April 14, 2011

4:35 p.m.

MEMBERS PRESENT

Representative Craig Johnson, Chair
Representative Kurt Olson, Vice Chair
Representative Mike Chenault
Representative Alan Austerman
Representative Carl Gatto
Representative Max Gruenberg
Representative Chris Tuck

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1(EDC)

"An Act requiring the state Board of Education and Early Development to provide an annual report to the legislature."

- MOVED HCS CSSB 1(RLS) OUT OF COMMITTEE

HOUSE BILL NO. 104

"An Act renaming the Alaska performance scholarship and relating to the scholarship and tax credits applicable to contributions to the scholarship; establishing the Alaska performance scholarship investment fund and the Alaska performance scholarship award fund and relating to the funds; making conforming amendments; and providing for an effective date."

- MOVED CSHB 104(RLS) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 1

SHORT TITLE: BD OF ED./EARLY DEVELOPMENT ANNUAL REPORT

SPONSOR(S): SENATOR(S) DAVIS

01/19/11	(S)	PREFILE RELEASED 1/7/11
01/19/11	(S)	READ THE FIRST TIME - REFERRALS
01/19/11	(S)	EDC, FIN
01/31/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

01/31/11 (S) Heard & Held
 01/31/11 (S) MINUTE(EDC)
 02/02/11 (S) EDC RPT CS 5DP SAME TITLE
 02/02/11 (S) DP: MEYER, THOMAS, STEVENS, DAVIS,
 FRENCH
 02/02/11 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
 02/02/11 (S) Moved CSSB 1(EDC) Out of Committee
 02/02/11 (S) MINUTE(EDC)
 02/14/11 (S) FIN AT 9:00 AM SENATE FINANCE 532
 02/14/11 (S) Heard & Held
 02/14/11 (S) MINUTE(FIN)
 02/22/11 (S) FIN AT 10:00 AM SENATE FINANCE 532
 02/22/11 (S) Moved CSSB 1(EDC) Out of Committee
 02/22/11 (S) MINUTE(FIN)
 02/23/11 (S) FIN RPT CS(EDC) 6DP 1NR
 02/23/11 (S) DP: HOFFMAN, STEDMAN, THOMAS, EGAN,
 MCGUIRE, ELLIS
 02/23/11 (S) NR: OLSON
 03/07/11 (S) TRANSMITTED TO (H)
 03/07/11 (S) VERSION: CSSB 1(EDC)
 03/09/11 (H) READ THE FIRST TIME - REFERRALS
 03/09/11 (H) EDC, FIN
 04/01/11 (H) EDC RPT 6DP
 04/01/11 (H) DP: P.WILSON, PRUITT, SEATON, KAWASAKI,
 FEIGE, DICK
 04/01/11 (H) EDC AT 8:00 AM CAPITOL 106
 04/01/11 (H) Moved Out of Committee
 04/01/11 (H) MINUTE(EDC)
 04/06/11 (H) EDC AT 8:00 AM CAPITOL 106
 04/06/11 (H) <Bill Hearing Canceled>
 04/11/11 (H) FIN RPT 9DP
 04/11/11 (H) DP: FAIRCLOUGH, T.WILSON, GARA, JOULE,
 NEUMAN, COSTELLO, EDGMON, STOLTZE,
 THOMAS
 04/11/11 (H) FIN AT 9:00 AM HOUSE FINANCE 519
 04/11/11 (H) Scheduled But Not Heard
 04/11/11 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 04/11/11 (H) Moved Out of Committee
 04/11/11 (H) MINUTE(FIN)
 04/14/11 (H) RLS AT 4:00 PM CAPITOL 120

BILL: HB 104

SHORT TITLE: ALASKA PERFORMANCE SCHOLARSHIPS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/18/11 (H) READ THE FIRST TIME - REFERRALS
 01/18/11 (H) EDC, FIN

02/09/11	(H)	EDC AT 8:00 AM CAPITOL 106
02/09/11	(H)	Heard & Held
02/09/11	(H)	MINUTE(EDC)
02/14/11	(H)	EDC AT 8:00 AM CAPITOL 106
02/14/11	(H)	Heard & Held
02/14/11	(H)	MINUTE(EDC)
02/21/11	(H)	EDC AT 8:00 AM CAPITOL 106
02/21/11	(H)	Heard & Held
02/21/11	(H)	MINUTE(EDC)
02/25/11	(H)	EDC AT 8:00 AM CAPITOL 106
02/25/11	(H)	<Bill Hearing Postponed to 2/28/11>
02/28/11	(H)	EDC AT 8:00 AM CAPITOL 106
02/28/11	(H)	Heard & Held
02/28/11	(H)	MINUTE(EDC)
03/07/11	(H)	EDC AT 8:00 AM CAPITOL 106
03/07/11	(H)	Heard & Held
03/07/11	(H)	MINUTE(EDC)
03/16/11	(H)	EDC AT 8:00 AM CAPITOL 106
03/16/11	(H)	Heard & Held
03/16/11	(H)	MINUTE(EDC)
03/21/11	(H)	EDC AT 8:00 AM CAPITOL 106
03/21/11	(H)	Moved CSHB 104(EDC) Out of Committee
03/21/11	(H)	MINUTE(EDC)
03/23/11	(H)	EDC RPT CS(EDC) NT 2DP 4AM
03/23/11	(H)	DP: SEATON, DICK
03/23/11	(H)	AM: CISSNA, P.WILSON, PRUITT, FEIGE
03/30/11	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
03/30/11	(H)	Scheduled But Not Heard
04/07/11	(H)	FIN AT 8:30 AM HOUSE FINANCE 519
04/07/11	(H)	Heard & Held
04/07/11	(H)	MINUTE(FIN)
04/07/11	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/07/11	(H)	Heard & Held
04/07/11	(H)	MINUTE(FIN)
04/12/11	(H)	FIN RPT CS(FIN) NT 2DP 7NR 2AM
04/12/11	(H)	DP: GUTTENBERG, GARA
04/12/11	(H)	NR: T.WILSON, EDGMON, JOULE, COSTELLO, DOOGAN, STOLTZE, THOMAS
04/12/11	(H)	AM: FAIRCLOUGH, NEUMAN
04/12/11	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/12/11	(H)	Moved CSHB 104(FIN) Out of Committee
04/12/11	(H)	MINUTE(FIN)
04/14/11	(H)	RLS AT 4:00 PM CAPITOL 120

WITNESS REGISTER

REPRESENTATIVE ALAN DICK

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During hearing of CSSB 1(EDC), explained Amendment 1.

REPRESENTATIVE ANNA FAIRCLOUGH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During hearing of CSSB 1(EDC), related support for Amendment 1.

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

POSITION STATEMENT: During hearing of HB 104, explained the need for Amendment 1.

MIKE HANLEY, Commissioner
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 104, answered questions.

REPRESENTATIVE LES GARA
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 104, expressed concerns with Amendment 1.

REPRESENTATIVE PAUL SEATON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 104, discussed the work the House Education Standing Committee performed on the scholarship program last year.

REPRESENTATIVE ANNA FAIRCLOUGH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Related her objections to the amendment adopted to HB 104 in the House Finance Committee.

ACTION NARRATIVE

[4:35:17 PM](#)

CHAIR CRAIG JOHNSON called the House Rules Standing Committee meeting to order at 4:35 p.m. Representatives Austerman, Chenault, Gatto, Olson, Gruenberg, Tuck, and Johnson were present at the call to order. Also in attendance was Senator Huggins.

SB 1-BD OF ED./EARLY DEVELOPMENT ANNUAL REPORT

[4:35:27 PM](#)

CHAIR JOHNSON announced that the first order of business would be CS FOR SENATE BILL NO. 1(EDC), "An Act requiring the state Board of Education and Early Development to provide an annual report to the legislature."

[4:35:50 PM](#)

REPRESENTATIVE CHENAULT moved that the committee adopt Amendment 1, labeled 27-LS0001\B.1, Mischel, 4/12/11, which read:

Page 1, line 2, following "**legislature**":

Insert "**; and establishing a joint legislative task force on theme-based education**"

Page 2, following line 2:

Insert a new bill section to read:

"* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

JOINT LEGISLATIVE TASK FORCE ON THEME-BASED EDUCATION. (a) An advisory task force on theme-based education is established as a legislative task force for the purpose of compiling data and advising the legislature on matters pertaining to curriculum in public schools in the state.

(b) The task force established under this section consists of one member of the senate appointed by the president of the senate and one member of the house of representatives appointed by the speaker of the house of representatives and the chair of the house committee having jurisdiction over education.

(c) Members of the task force serve without compensation but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180. The staff of the legislative members of the task force shall serve as staff for the task force.

(d) The task force shall meet at the call of the chair not less than once every three months. The chair of the house committee having jurisdiction over education or the chair's designee shall call the first meeting of the task force not later than 30 days after the effective date of this Act and shall serve as chair of the task force.

(e) The task force shall

(1) compile research conducted in the state and nationally on theme-based education;

(2) explore new approaches that may be effective in producing increased levels of career readiness;

(3) prepare for the legislature a set of written recommendations to improve curriculum in the state.

(f) The task force shall submit the findings and recommendations developed under (e) of this section in a report to the legislature not later than January 1, 2012.

(g) The task force terminates January 1, 2012."

[4:36:34 PM](#)

CHAIR JOHNSON and REPRESENTATIVE GRUENBERG objected for discussion purposes.

[4:36:48 PM](#)

REPRESENTATIVE ALAN DICK, Alaska State Legislature, related that his discussions regarding theme-based education has resulted in his office receiving many phone calls. He noted that good decisions are made with good facts, therefore Amendment 1 proposes establishing a joint legislative task force on theme-based education. The purpose of the task force is to identify what's going on nationwide and in Alaska with the use of theme-based education, review those efforts, and ultimately make recommendations as to what the state might do to create a model parallel to that which already exists in the Department of Education and Early Development (EED). Amendment 1 requires the task force to submit a report to the House and Senate Education Standing Committees and EED by January 1, 2012. The task force would consist of three members: one from the House, one from the Senate, and the chair of the House Education Standing Committee.

[4:38:51 PM](#)

REPRESENTATIVE GRUENBERG asked if the task force consists of three members.

REPRESENTATIVE DICK replied yes.

[4:39:08 PM](#)

REPRESENTATIVE GRUENBERG said that he is unclear whether the member appointed by the House Speaker and the member who is the chair of the House Education Standing Committee were two separate individuals or whether the member from the House was appointed jointly by the House Speaker and the chair of the House Education Standing Committee. The language is a bit ambiguous.

[4:39:38 PM](#)

REPRESENTATIVE GRUENBERG then moved that the committee adopt Amendment 1 to Amendment 1, such that Section (2)(b) would read as follows:

(b) The task force established under this section consists of one member of the senate appointed by the president of the senate, one member of the house of representatives appointed by the speaker of the house of representatives, and the chair of the house committee having jurisdiction over education.

CHAIR JOHNSON objected and then withdrew his objection.

There being no further objection, Amendment 1 to Amendment 1 was adopted.

[4:41:10 PM](#)

REPRESENTATIVE GATTO moved that the committee adopt Amendment 2 to Amendment 1, which would clarify that there is a third member on the proposed task force and he/she is the chair of the House Education Standing Committee.

CHAIR JOHNSON objected.

REPRESENTATIVE GATTO expressed concern for a situation in which the House Education Standing Committee has co-chairs.

CHAIR JOHNSON said that if the committee has co-chairs, it would be up to the House Speaker to appoint one of them.

REPRESENTATIVE GATTO opined that he merely wants to clarify that there's a third member of the proposed task force.

CHAIR JOHNSON related his belief that the adoption of Amendment 1 to Amendment 1 makes it very clear that the proposed task force consists of three members.

REPRESENTATIVE GATTO withdrew Amendment 2 to Amendment 1.

4:42:19 PM

REPRESENTATIVE GRUENBERG asked if the Senate is amenable to the proposed task force consisting of only one Senator and two Representatives.

CHAIR JOHNSON interjected that the Senate will have an opportunity to concur or not concur on this legislation when it returns to them. However, he related his understanding from the sponsor that she is fine with the makeup of the proposed task force.

4:43:05 PM

REPRESENTATIVE ANNA FAIRCLOUGH, Alaska State Legislature, related that she and Representatives Dick, Joule, and Herron are in full support of Amendment 1. She noted that Representative Joule did have conversations with members of the Senate. Those conversations considered the fact that rural and urban schools have graduation rates that could be improved upon. Furthermore, there has been litigation that rural schools aren't provided enough resources by EED. Amendment 1 seeks to remedy the aforementioned by reviewing whether theme-based education would do well in Alaska. She reminded the committee that several years ago, there was a presentation by tribal organizations that successfully took on the issue of smoking in rural communities. At that time, those tribal organizations asked the legislature if it would review a different model of education to engage students in a meaningful way in terms of how to apply math and other academics in a more culturally sensitive model. The proposed task force would be charged with looking nationwide and worldwide to determine if there are better models available for Alaska students. In closing, Representative Fairclough noted that she and Representative Joule have worked with members of both the House and Senate to ensure everyone is happy with the

legislation. She urged the committee's support [for Amendment 1].

[4:45:12 PM](#)

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

[4:45:27 PM](#)

REPRESENTATIVE TUCK remarked that he likes the vision of this legislation. Whenever students can be engaged and understand the relevancy of what they're learning to their lifestyle and culture, it has huge impacts. He then implored the task force to try to find ways to obtain credit for the math and science learned.

[4:46:12 PM](#)

REPRESENTATIVE AUSTERMAN stated that he supports the change [encompassed in Amendment 1] and noted that he has met with various folks regarding the potential of theme-based education. The current education system isn't producing the number of graduates that it should, and thus theme-based education may provide an opportunity to try something different. He applauded the efforts of those bringing this forward.

[4:47:04 PM](#)

REPRESENTATIVE GATTO asked if "theme-based education" is a legal term or common term.

REPRESENTATIVE DICK answered that he would have to research it, but noted that it's a well-defined term for those in education.

[4:47:52 PM](#)

REPRESENTATIVE AUSTERMAN moved to report CSSB 1(EDC), as amended, out of committee with individual recommendations and the zero fiscal notes.

[4:48:21 PM](#)

REPRESENTATIVE GATTO objected, and asked if the funds for travel and per diem would be reflected in a fiscal note.

CHAIR JOHNSON confirmed that SB 1 will require funds, but the funding is being handled in separate legislation.

REPRESENTATIVE GATTO withdrew his objection.

[4:48:37 PM](#)

There being no further objection, HCS CSSB 1(RLS) was reported out of the House Rules Standing Committee.

HB 104-ALASKA PERFORMANCE SCHOLARSHIPS

[4:48:48 PM](#)

CHAIR JOHNSON announced that the final order of business would be HOUSE BILL NO. 104, "An Act renaming the Alaska performance scholarship and relating to the scholarship and tax credits applicable to contributions to the scholarship; establishing the Alaska performance scholarship investment fund and the Alaska performance scholarship award fund and relating to the funds; making conforming amendments; and providing for an effective date." [Before the committee is CSHB 104(FIN).]

[4:48:57 PM](#)

REPRESENTATIVE CHENAULT moved to adopt Amendment 1, labeled 27-GH1893\E.1, Mischel, 4/14/11, which read:

Page 3, lines 9 - 23:
Delete all material.

Renumber the following bill sections accordingly.

Page 4, lines 9 - 13:
Delete all material.

Renumber the following bill sections accordingly.

Page 9, line 10:
Delete "Section 17"
Insert "Section 15"

Page 9, line 11:
Delete "sec. 8"
Insert "sec. 6"

Page 9, line 12:

Delete "sec. 8"
Insert "sec. 6"

Page 9, line 13:
Delete "Section 14"
Insert "Section 12"

Page 9, line 14:
Delete "secs. 19 - 21"
Insert "secs. 17 - 19"

CHAIR JOHNSON objected for discussion purposes.

4:49:27 PM

DIANE BARRANS, Executive Director, Postsecondary Education Commission (PSEC), Department of Education and Early Development, explained that Amendment 1 would remove language added to HB 104 to provide an alternative avenue for eligibility for the scholarship program. Amendment 1 provides an avenue for individuals who have received a general equivalency diploma (GED) and not remained in high school or received a diploma from an Alaska high school. The avenue requires that EED provide alternative standardized tests for these individuals and allows EED to require some or all of the otherwise required curriculum be completed by these individuals. Amendment 1 also removes language that would allow, in perpetuity, individuals who attended a school in Alaska but did not complete the required core curriculum to apply for a waiver or additional time to complete that program. In each case, EED believes by leaving these changes in the bill there is a dilutive effect. She reminded the committee that the objective of the Alaska Performance Scholarship was to incent students to follow the most direct route to postsecondary education and career readiness, which is taking a core curriculum in high school and completing high school with a degree as well as scoring well on preparatory entrance tests for college. The concern is that having an alternative route, particularly one that is generally less successful, dilutes the program. Therefore, she requested that language be removed from CSHB 104(FIN). With regard to the language about schools not providing the required curriculum, she said it's unnecessary. Current regulations provide an opportunity for students who attend a school in Alaska that don't offer the required curriculum to have the next two years to complete the curriculum. The concern with a permanent allowance is that it reduces the sense of urgency by schools. In fact, EED is committed to ensuring that all schools in

Alaska, within a two-year period, are able to offer the critical courses necessary for students' success in postsecondary education and eligibility for the scholarship.

[4:52:59 PM](#)

CHAIR JOHNSON asked if there could be a situation in which a student moves out of state, obtains a GED, returns to Alaska, and obtains the Alaska Performance Scholarship.

MS. BARRANS replied yes, as the legislation is currently written. In further response to Chair Johnson, Ms. Barrans confirmed that CSHB 104(FIN) would open the scholarship up to out-of-state students as well as students from another country.

[4:53:55 PM](#)

REPRESENTATIVE TUCK surmised then that the GED process has no residency requirement, and thus there would be no residency requirement in the legislation if the GED portions [remained].

MS. BARRANS explained that the residency requirement in place is twofold in that one must have received a diploma from an Alaska high school and meet the residency requirement in AS 01.10.055, which requires 30 days residency. Although the aforementioned is a fairly modest residency requirement, it's the nexus between having a high school diploma from an Alaska high school as well as residency. She recalled that last year the discussion revolved around ensuring that a qualifying student who graduates and meets all the scholarship qualification, but then travels for a period doesn't face a delay in accessing the scholarship once that student returns to the state. Students who qualify for the scholarship only have six years from the date of graduation to utilize the scholarship, and therefore it creates a sense of urgency to move quickly from high school to postsecondary education in order to heighten the likelihood of success at the postsecondary level.

[4:55:49 PM](#)

REPRESENTATIVE GATTO asked if an individual who [qualified for the scholarship] was deployed for four years would have those four years count toward the six-year limitation.

MS. BARRANS pointed out that there is a provision for those in military service to extend the time limitation by the period of military service.

4:56:20 PM

REPRESENTATIVE AUSTERMAN posed a scenario in which Amendment 1 is not adopted and Section 4 remains in the legislation. In such a scenario, should the language "from an Alaska school" be inserted on page 3, line 13, following "certificate".

MS. BARRANS answered that if Amendment 1 isn't adopted, a number of changes would be necessary in order to make it a parallel condition to those who receive their high school diploma from an Alaska high school. For example, [CSHB 104(FIN)] doesn't specify a timeframe within which an individual would have to obtain a GED and there's no trigger specifying the time period in which an individual can use the scholarship.

4:57:38 PM

REPRESENTATIVE TUCK posed a scenario in which an individual leaves the Alaska school system for a few months, obtains a GED, but then decides to return to an Alaska school to obtain a diploma. He asked whether the aforementioned scenario would currently be allowed.

MS. BARRANS replied yes, adding that under existing statutes so long as a student has left the system without a diploma, he/she is entitled until the age of 20 to return to the public education system and complete the requirements for a diploma and receive it free of charge. In further response to Representative Tuck, Ms. Barrans clarified that beyond the public school system, there are private institutions and home school programs from which one can obtain a diploma. She noted that those other avenues are provided for in the Alaska performance scholarship.

4:59:18 PM

REPRESENTATIVE GRUENBERG opined that it seems that folks are addressing the legislation rather than Amendment 1.

CHAIR JOHNSON said that he wasn't sure the two can be separated. He said that Amendment 1 changes the substantive nature of the legislation, and therefore he felt it would be appropriate to address that.

4:59:50 PM

REPRESENTATIVE GRUENBERG related his belief that Section 4 along with EED's regulatory authority would provide the authority to flesh this out.

MS. BARRANS disagreed, and opined that she's not sure there is enough explicit detail in the legislation. [Section 4] changes the nature of the program and broadens it beyond the scholarship program, with the intent to deliver certain results through the education system. Ms. Barrans said that she couldn't speak to whether, in the totality of the statutes, there's enough authority to add the additional requirement in regulation. In further response to Representative Gruenberg, Ms. Barrans confirmed that she's not able to state to the contrary either.

REPRESENTATIVE GRUENBERG then recalled that Title 14 gives EED and the PSEC broad regulatory authority. He asked if [EED] has broad regulatory enabling statutes.

[5:01:22 PM](#)

MIKE HANLEY, Commissioner, Department of Education and Early Development, replied yes.

[5:01:29 PM](#)

CHAIR JOHNSON withdrew his objection to Amendment 1.

[5:01:33 PM](#)

REPRESENTATIVE GRUENBERG then objected to Amendment 1.

The committee took a brief at-ease.

[5:02:40 PM](#)

REPRESENTATIVE LES GARA, Alaska State Legislature, opined that [the adoption of] Amendment 1 would cause a number of problems with HB 104. For those in a rural district or a district without the required courses, EED has promised a two-year waiver. However, if the schools don't have the proper courses after those two years, students in those schools won't have a chance to get this scholarship. There is no provision in current law that allows a student who attends a rural school without the required courses, graduates, and returns to take the required courses later. The aforementioned is why Amendment 1 is necessary. Although there is a provision [in current law] that allows an individual to have until age 20 to graduate from

a public school, one who has graduated from a rural school that didn't have the required courses can't come back to another school with the required courses. Therefore, those who are concerned that the many school districts that don't have the required courses won't have them within two years should adopt Amendment 1. Otherwise, [without the adoption of Amendment 1] the legislation discriminates against students who are high academic achievers, but attend schools that don't have the required courses. Representative Gara acknowledged that for those individuals who obtain a GED or don't have the required courses available to them, the EED commissioner has been granted broad authority. The commissioner can provide that minimum test scores be achieved in order to illustrate that students are of high academic achievement or require that some or all of the core curriculum be taken after graduation or obtaining a GED. Currently, the law doesn't allow such. The EED commissioner could adopt other criteria the commissioner determines will demonstrate high academic achievement.

REPRESENTATIVE GARA, regarding whether this would allow students from other states to come to Alaska and grab the scholarship, opined that language could be added to refer to an "Alaska GED" and an "Alaska school". However, the U.S. Supreme Court doesn't allow a state to discriminate against out-of-state residents for more than a year. He questioned how big of a problem it would even be for out-of-state students with a GED to come to Alaska to take the core courses [prior to getting the scholarship]. Representative Gara opined that the legislation is flawed because very bright individuals obtain GEDs and very bright individuals attend rural schools that don't have the required courses available to them. He told the committee that the testimony regarding whether these rural schools will be able to offer the courses under the merit scholarship is conflicting. Furthermore, it's likely that those rural schools who hire teachers to teach the core curriculum will have to fire a teacher that teaches something else. Therefore, he opined that [CSHB 104(FIN)] works [without Amendment 1]. He concluded by noting that the changes encompassed in CSHB 104(FIN) had substantial support in the House Finance Committee.

[5:06:06 PM](#)

CHAIR JOHNSON reminded everyone that the House Rules Standing Committee is an independent committee.

[5:06:42 PM](#)

REPRESENTATIVE PAUL SEATON, Alaska State Legislature, reminded the committee that he was the chair of the House Education Standing Committee when the Alaska Performance Scholarship was developed. He recalled that 11-14 hearings were held on the scholarship, of which at least three went into detail regarding incorporating GEDs and whether it was consistent with the program being developed. The scholarship program was primarily developed to reward students and change the school districts and the programs they offer. Representative Seaton opined that providing a waiver for those schools that don't offer the rigorous core curriculum defeats the purpose of the Merit Scholarship, which was to change the K-12 education system. The legislation introduced this year, wasn't establishing the program but instead tried to reach funding, including through Alaska Advantage and the Merit Scholarship. The Alaska Advantage Program is to provide access to the nontraditional student, a student that obtains a GED. The Merit Scholarship Program is for those students taking the rigorous core curriculum as well as scoring high on the ACT test. The aforementioned, taking a rigorous curriculum in high school, leads to completion of college. The House Education Standing Committee worked for many hours trying to incorporate the GED and found it couldn't without diluting the Merit Scholarship Program. Therefore, this legislation has two separate mechanisms: the Alaska Advantage Program for nontraditional students and the Merit Scholarship Program through the diploma-only system.

[5:09:50 PM](#)

REPRESENTATIVE ANNA FAIRCLOUGH, Alaska State Legislature, began by associating herself with Representative Seaton's comments. She then related her belief that the Merit Scholarship was about keeping kids in school. The proposal was that students would stay in school and take the more rigorous curriculum, which would improve graduation rates and success in college. Section 4 is a duplication, which is the allowance for the EED commissioner to make changes if curriculum isn't offered in some communities or schools but provides an opportunity for that curriculum to be developed and provided for students. The curriculum, she charged, doesn't have to be provided in a classroom as it's known today, but could be provided in a distance education classroom. Furthermore, Section 4 alters the merit portion of the scholarship, which she believes was the intent of the original legislation. With regard to GEDs, Representative Fairclough informed the committee that GEDs can be obtained from entities beyond the high school, such as the

Department of Labor & Workforce Development. Therefore, Representative Fairclough opined that CSHB 104(FIN) creates conflict in the current code as well as with the intent of the original legislation. In conclusion, Representative Fairclough requested that the committee remove Section 4 from CSHB 104(FIN).

[5:12:09 PM](#)

CHAIR JOHNSON, in response to Representative Gatto, provided clarification regarding Section 4 in CSHB 104(FIN) and Amendment 1.

[5:12:52 PM](#)

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

[5:13:16 PM](#)

REPRESENTATIVE GRUENBERG maintained his objection to Amendment 1.

[5:13:23 PM](#)

REPRESENTATIVE TUCK pointed out that Amendment 1 requires an individual to have a diploma to qualify for the scholarship; simply having a GED doesn't qualify an individual for the scholarship. He related his understanding that HB 104 has the twofold purpose of rewarding those who take rigorous classes, meet the grade, receive a diploma, and obtain the scholarship while the other purpose is raising the education system to a standard that has more of a concentration on math, technology, and science. He reminded the committee of the Moore v. State case in which the state is having difficulties meeting educational needs, even without the science and math requirement. He also reminded the committee that the concern of the sponsor of the amendment [that inserted Section 4] in the House Finance Committee was that some schools in rural Alaska may not even meet the curriculum requirements and standards in the two years allowed. Therefore, he expressed concern that there will be another case like the aforementioned. Representative Tuck, upon further review of Section 4 and the earlier mentioned leeway EED has in terms of its regulation, said that he would like for EED to find a way to make it work. The desire, he opined, is to reward those students who are

following the governor's vision by taking more math and science courses while also raising school standards.

5:16:44 PM

REPRESENTATIVE AUSTERMAN clarified that he, over the last few years, has not supported the scholarship program as he felt that it doesn't address rural areas as well as it should. Amendment 1 removes the language inserted in the House Finance Committee that actually helps some of the students. He agreed with Representative Tuck that the language in Section 4 of CSHB 104(FIN) clearly relates that EED has the ability to make regulations. Furthermore, the legislation is written such that it lays out some of the standards the department can refer to in the regulations. Representative Austerman related that he is going to oppose Amendment 1.

5:18:02 PM

REPRESENTATIVE GRUENBERG remarked that he respects Representative Seaton's testimony, which was similar to Commissioner Hanley's private remarks he related earlier regarding the twofold purpose of the scholarship: to encourage students by providing money and to encourage schools to provide better curriculum. Unfortunately, the twin goals appear to be conflicted. "This is one way of attempting to resolve the conflict," he acknowledged. With all the resources available to the state, the department should be able to find a way within its broad regulatory authority to encourage school districts to provide more educational opportunities for their students. The remedy isn't to make it more difficult for students. Although it's a laudable goal to encourage school districts to improve their curriculum, he didn't believe [adoption of Amendment 1] is the way to do it. There aforementioned is why the language inserted in the House Finance Committee is so equitable, doesn't punish the students, and provides the regulatory authority to EED to find another way to encourage schools to improve their curriculum. Representative Gruenberg related his strong support for the funding and whatever is necessary for the department and the school districts to help improve the situation.

5:20:25 PM

REPRESENTATIVE CHENAULT asked if an individual with a GED can apply for an Alaska Advantage Scholarship.

MS. BARRANS replied yes.

REPRESENTATIVE CHENAULT expressed concern that there isn't a way for students with GEDs to help fund their scholarships.

[5:21:21 PM](#)

REPRESENTATIVE CHENAULT recalled when he was a member of the House Finance Committee when it discussed the Advantage program and putting more funds in it. He recalled that more Alaska Advantage program funds went to individuals age 25-35 than to students coming out of high school. Representative Chenault opined that by continuing to cram [all these programs] together, it muddies the water. Originally, this was set up to be a scholars program. Although he agreed that rural Alaska has difficulties with offering the required curriculum, the program has to strive to get kids educated at a higher level. He questioned the incentive being given to kids when they are allowed to apply for a grant when the student didn't do well in school.

MS. BARRANS said that Representative Chenault isn't misremembering. The Alaska Advantage Education Grant is needs-based and a large portion of its recipients are nontraditional, that is over the age of 22. The average age of an Alaska Advantage Education Grant recipient has varied between 28 to 31 years of age. She noted that the more funds going to the Alaska Advantage Education Grant, the deeper into the list of eligible students it reaches and thus would reach younger students.

[5:24:40 PM](#)

A roll call vote was taken. Representatives Chenault, Gatto, Olson, and Johnson voted in favor of adopting Amendment 1. Representatives Gruenberg, Tuck, and Austerman voted against it. Therefore, Amendment 1 was adopted by a vote of 4-3.

[5:25:31 PM](#)

REPRESENTATIVE TUCK related that the Merit Scholarship allows two career paths: college or career and vocational education. He posed a scenario in which a high school student pursues a career path, say to be an electrician, and takes construction and electrical classes at a vocational education center. Unfortunately, those construction and electrical classes won't apply toward science and math because they have to have been taught by highly qualified instructors. Therefore, he expressed hope to find ways to overcome the aforementioned dilemma. He

related his understanding that the legislation before the committee allows students to apply the scholarships to the career paths.

[5:28:19 PM](#)

REPRESENTATIVE CHENAULT moved to report CSHB 104(FIN), as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[5:28:48 PM](#)

REPRESENTATIVE GRUENBERG stated a point of order and related that on the bill report he will recommend amend and note that CSHB 104(FIN) should be adopted.

[5:29:16 PM](#)

There being no objection, CSHB 104(RLS) was reported out of the House Rules Standing Committee.

[5:29:28 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Rules Standing Committee meeting was adjourned at 5:29 p.m.