

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

March 14, 2011

8:03 a.m.

MEMBERS PRESENT

Senator Kevin Meyer, Co-Chair
Senator Joe Thomas, Co-Chair
Senator Bettye Davis, Vice Chair
Senator Hollis French
Senator Gary Stevens

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Cathy Giessel
Representative Herron

COMMITTEE CALENDAR

SENATE BILL NO. 84

"An Act relating to funding for high school vocational education as a component of funding for public schools; increasing the base student allocation used in the public school funding formula; and providing for an effective date."

- HEARD AND HELD

SENATE BILL NO. 6

"An Act relating to providing a prekindergarten program within a school district; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 84

SHORT TITLE: VOC ED FUNDING/BASE STUDENT ALLOCATION

SPONSOR(s): EDUCATION

02/04/11	(S)	READ THE FIRST TIME - REFERRALS
02/04/11	(S)	EDC, FIN
03/07/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

03/07/11 (S) -- MEETING CANCELED --
03/14/11 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

MURRAY RICHMOND, Staff
Senator Joe Thomas
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 84 on behalf of the Senate Education Standing Committee, sponsor of the bill.

ELIZABETH NUDELMAN, Director
Division of School Finance
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Explained the fiscal note for SB 84.

DAVID MEANS, Director
Administrative Services
Juneau School District
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 84.

RICHARD MONKMAN, Member
Budget Committee
Juneau School District and
Juneau Douglas High School Site Council
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 84.

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

POSITION STATEMENT: Testified in support of SB 84.

ANDI STORY, Vice-President
Board of Education
Juneau School District
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 84.

AMY LUJAN, Executive Director
Alaska Association of School Business Officials (ALASBO)
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 84.

JOHN ALCANTRA, Lobbyist
National Education Association of Alaska (NEA-Alaska)
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 84.

BARBARA HUFF TUCKNESS, Director
Legislative and Governmental Affairs
Teamsters Local 959
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 84.

EARL LACKEY, Member
Board of Career and Technical School
Wasilla, Alaska
POSITION STATEMENT: Testified in support of SB 84.

JAMEY DUHAMEL, representing herself
Palmer, Alaska
POSITION STATEMENT: Testified in support of SB 84.

ANNE KILKENNY, representing herself
Wasilla, Alaska
POSITION STATEMENT: Testified in support of SB 84.

CRYSTAL NYGARD, representing herself
Wasilla, Alaska
POSITION STATEMENT: Testified in support of SB 84.

GEORGE CHEAP, Manager
Alaska Works Partnership
Fairbanks, Alaska
POSITION STATEMENT: Testified in support of SB 84.

SUE HULL, Member
Fairbanks North Star Borough School Board
Fairbanks, Alaska
POSITION STATEMENT: Testified in support of SB 84.

ANDRÉ LAYRAL, Executive Director
Alaska Association of Secondary School Principals (AASSP)
Fairbanks, Alaska
POSITION STATEMENT: Testified in support of SB 84.

LARRY MOONEY, Business Agent
Laborers 341
Valdez, Alaska
POSITION STATEMENT: Testified in support of SB 84.

JOHNNY TAUNTON, Apprentice
Laborers 341
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 84.

PATRICK FALON, Organizing Representative
Laborers 341
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 84.

DOUG WALRATH, Director
Northwestern Alaska Career and Technical Center
Nome, Alaska

POSITION STATEMENT: Testified in support of SB 84.

DAVE JONES, Assistant Superintendent
Kenai Peninsula Borough School Board
Soldotna, Alaska

POSITION STATEMENT: Testified in support of SB 84.

LON GARRISON, President
Sitka School Board
Sitka, Alaska

POSITION STATEMENT: Testified in support of SB 84.

KAREN MARTINSEN, representing herself
Sitka, Alaska

POSITION STATEMENT: Testified in support of SB 84.

ACTION NARRATIVE

[8:03:02 AM](#)

CO-CHAIR KEVIN MEYER called the Senate Education Standing Committee meeting to order at 8:03 a.m. Present at the call to order were Senators Davis, Stevens, French, Co-Chair Thomas and Co-Chair Meyer.

SB 84-VOC ED FUNDING/BASE STUDENT ALLOCATION

[8:03:54 AM](#)

CO-CHAIR MEYER announced the consideration of SB 84.

[8:04:53 AM](#)

CO-CHAIR THOMAS moved to adopt CSSB 84(), labeled 27-LS0465\D.

CO-CHAIR MEYER objected for the purposes of discussion.

[8:05:49 AM](#)

MURRAY RICHMOND, Staff to Senator Joe Thomas, co-chair of the Senate Education Standing Committee, sponsor of SB 84, said the first part of the bill establishes the vocational education factor. Section 1 is the formula for funding education in the state. He explained that the pertinent part to this particular bill is on page 2, line 4, which establishes the vocational education factor as a multiplier in the formula. The formula is done by adding the ADM [Average Daily Membership] of each school district, which includes the school size factor and the district cost factor. The ADM is multiplied by the current special needs funding factor, which is 1.20. This bill proposes to further multiply the ADM by the vocational education funding factor, which is 1.101.

He explained that SB 84 would increase the amount that schools get per student by one percent. It is estimated that \$11.7 million will be distributed to schools according to the district cost factor and the school size factor.

Section 2 establishes the funding to the school districts. Page 3, line 19 adds "and high school vocational and technical instruction".

Page 3, line 30 defines the high school vocational and technical education fund. These funds would be available for students in grades 9-12 and is a funding factor of 1.01. General administrative expenses, math, literacy, and basic job readiness skills are excluded from this funding.

[8:08:57 AM](#)

MR. RICHMOND noted that the legislative intent of this funding is not to provide more work for the Department of Education and Early Development (DEED) to track down how the money is being used. Rather, the way the funding is used would be up to the discretion of the districts, with legislative intent that it be used for vocational education in high school.

Section 3 on page 4, line 9, provides a high school vocational funding factor for the state boarding schools (Mt. Edgecombe High School).

Sections 4-9 establishes the base student allocation (BSA) for the next three years. He explained that the funding would be increased as follows:

- On July 1, 2011 the base student allocation would be \$5,790, an increase of \$110 or a 1.94-percent increase.
- On July 1, 2012 the base student allocation would be \$5,905, an increase of \$115 or a 1.99-percent increase.
- On July 1, 2013 the base student allocation would be \$6025, an increase of \$120 or a 2.03-percent increase.

He summarized the rationale behind this increase by reading the following from a Sitka School Board Member [full letter included in the document packet]:

Though we in the educational community have always been somewhat leery of categorical funding, we recognize that dollars going into the 20-percent Block Grant for Special ED, ESL, Gifted & Talented, and Vocational ED are being siphoned off almost exclusively by Special ED due to federal mandates and leaving Vocational Education seriously short funded

He noted that the intent of the bill is to provide guidance to school districts as to how to use this money. In 2007 a report was issued by the Joint Legislative Education Task Force chaired by Representative Mike Hawker. This task force recognized the need for school districts to be able to plan and budget for the future.

He added that the bill packet included 22 letters of support from school districts, school board members, and parents and 23 additional letters of support over received over the weekend and that morning.

The amount that this bill asks to increase the school budget is about two-percent per year. He stressed that the most important aspect of this bill is that it allows schools to create fiscally responsible budgets over the next three years. If a school knows how much funding it will receive it can be working on reliable budgets based on accurate figures.

He said that the fiscal note was prepared by DEED.

8:13:23 AM

SENATOR STEVENS asked how vocational education is currently funded.

MR. RICHMOND answered that there is a special factor in the funding formula of 1.20; this currently funds special needs, bilingual education, gifted and talented, and vocational

education. He explained that it has been reiterated numerous times by various school boards and districts that most of this money is going to special needs education.

SENATOR STEVENS asked if this bill takes some power out of the hands of the school boards in regards to how they use the funds they receive.

MR. RICHMOND answered that the indications have been that school boards would like to have this money set aside for that purpose.

CO-CHAIR THOMAS explained that the formula was not changed in the bill. Rather, money was prescribed particularly for vocational education. He explained that he has received many indications that school districts would appreciate the opportunity to make use of that money for vocational education.

MR. RICHMOND commented that the 20 percent funding factor has not changed at all.

SENATOR STEVENS said his only concern is what this does to the school boards. He asked where the money is going to come from to fund special education.

MR. RICHMOND answered that the bill is not changing where the funding for special education is coming from and the program will continue getting the current allotted amount. SB 84 adds a special fund particularly for vocational education.

CO-CHAIR MEYER explained that in working with the scholarship bill it was recognized that not everyone wants to go to a traditional four-year college. He said he appreciates this section being added to the BSA.

He added that Senator Davis has asked the committee to consider aspects of SB 73 be included in SB 84.

[8:19:16 AM](#)

ELIZABETH NUDELMAN, Director, Division of School Finance, Department of Education and Early Development (DEED), concurred with Mr. Richmond's explanation of the fiscal note thus far. She said the fiscal note for SB 84 provides three years of funding increases: \$38.4 million in FY2012, \$28.2 million in FY2013, and \$29.4 million in FY2014.

Page 3 of the fiscal note shows the calculation outcome for the first year of the bill. She explained that the increases to the

public school funding formula to the foundation formula are in two-part for year one. The first part is an increase by adding the vocational education factor and the second part is an increase by increasing the BSA.

Page 4 and 5 of the fiscal note shows the calculation for FY2013 and FY2014.

She said that the vocational educational factor is added directly after the special needs factor. It follows the current methodology of the formula in including the school size adjustment and the geographic cost factor. She noted that with regard to the vocational education funding, DEED does not collect or monitor vocational educational categorical funding out of the operating formula. She added that if this was the desire the department would need to add a FTE [Full Time Equivalent] to the fiscal note. She explained that the Public School Foundation Fund is discretionary funding that goes out to the school district. The school boards, communities, and administrations then decide how to best use that money to meet all the needs of their districts.

SENATOR FRENCH said, in his understanding, part of the intent of SB 84 is that the new factor be spent on vocational education. He asked how free the districts are to deviate from the categories of money from the state.

MS. NUDELMAN replied that currently school districts can deviate in order to meet the needs of the district. The special needs factor includes special education, gifted and talented, vocational education, and bilingual learning. She noted that districts do not have to spend that funding in any particular manner.

SENATOR FRENCH asked for clarification that these are broad policy directives from the legislature that can be shifted around by districts as needed.

MS. NUDELMAN replied yes, she would agree with that statement.

SENATOR FRENCH asked about it from a strictly legal standpoint.

MS. NUDELMAN replied that from a strictly legal standpoint it is discretionary funding. She explained that the foundation formula adjusts for school size factor, the geographic cost factor, recognizes special needs, and includes a component for intensive [needs] funding.

SENATOR FRENCH asked if "special needs" and "intensive needs" are the same.

MS. NUDELMAN replied that they are two very different columns in the formula. Special needs are all of the ongoing special education services including special education services, vocational education, gifted & talented, and bilingual. The intensive needs are based on a headcount with specific criteria in order to apply for that funding. The intensive students are funded at a higher amount and tend to be those special education students who need the most support and services.

[8:26:54 AM](#)

SENATOR FRENCH asked if the students are individually categorized for funding.

MS. NUDELMAN replied yes. She noted that the districts make the decisions as to how to best meet those students with intensive needs once funding is received.

CO-CHAIR MEYER added that typically an intensive needs student requires an aide with them.

He asked, with this increase, what the total dollar amount is that the state would pay for K-12 education.

MS. NUDELMAN replied the total public school funding state aid is approximately \$1.1 billion at the end of FY2012. She noted that this did not include any capital projects.

CO-CHAIR MEYER opened public testimony.

[8:28:56 AM](#)

DAVID MEANS, Director, Administrative Services, Juneau School District, testified in support of SB 84. He said with regard to the BSA increase, the district recognizes that education costs, like many other costs, continue to escalate. He said that the most important aspect of the three year BSA increase is that it allows districts to plan a responsible budget for more than one year and implement research based practices into educational programs.

SENATOR FRENCH asked what cuts the Juneau School District would have to make if this bill does not pass.

MR. MEANS said the district has been looking at some administrative cuts and would be increasing the class size at the elementary school level. This would take care of about half the cost. He explained that this is a tough year for the district in regards to its budget. Months ago the district looked at three budget scenarios: no BSA increase, a \$100 increase, and a \$125 increase. With the \$100 increase the district will have to make \$4.1 million cuts.

SENATOR FRENCH asked for confirmation that in order to live within a \$100 BSA increase the district has to cut \$4.1 million.

MR. MEANS replied yes. If the district does not receive the \$100 increase they will look at increasing class sizes throughout the district. He explained that they have tightened the budget already in the areas of operations, maintenance and administration.

SENATOR STEVENS asked if the student count in the Juneau School District is increasing or decreasing.

MR. MEANS answered the student population will be decreasing by less than one-percent.

8:33:07 AM

RICHARD MONKMAN, Member, Budget Committee, Juneau School District and Member, Juneau Douglas High School Site Council, testified in support for SB 84. He reiterated that with flat funding the Juneau School District (JSD) is looking at cutting [\$5 million] out of the budget. This is due to increases in the cost of fuel, maintenance and salaries. Some of the programs that will be cut are very valuable and goes to funding direct contact between teachers and students. For example, at the high school level there will be one counselor for every 400 students with that budget. He stressed that the budget committee took the budget apart and looked everywhere it could for funding.

The Juneau Douglas High School Site Council especially wants to stress to the committee that it views education as the best investment that can be made for Alaska's future. He said "our people are our greatest resource. When the oil runs out our people are going to be here." He stressed that the best prediction for a viable economy is to have well educated students. He urged the committee to support SB 84.

SENATOR FRENCH asked if, including the \$100 increase, the district's budget would still be short \$4 million.

MR. MONKMAN answered yes. If the district does not get the \$100 increase, it has to go back and find another million dollars.

SENATOR FRENCH asked if the district had anticipated a \$100 increase coming into this year.

MR. MONKMAN replied yes, it is critical for the Juneau School District. He explained that some of the larger districts may have more flexibility with its budget, due to larger reserves.

SENATOR STEVENS said there are individuals in the legislature who state that more money is not the answer. He wondered how the state is better off now than it was four or five years ago in terms of remedial education. He asked Mr. Monkman if he believes the Juneau School District is doing a better job of teaching math, science, and grammar to students.

MR. MONKMAN answered that he believes JSD is doing a better job. He explained that part of the program impetus include things that take a while, including literacy programs at the pre-primary age. The gifted and talented program has also been expanded to include a larger pool of students starting in the early grades through high school. These programs are the first to be cut. He said JSD has seen a steady improvement, but unless it gets the additional funding, it will start going backwards again.

8:39:28 AM

CARL ROSE, Lobbyist, Association of Alaska School Boards (AASB), testified in support of SB 84. He said that AASB is very concerned about the possible funding cuts since the submission of the governor's budget. He said that the board has been looking at issues that it finds to be critically important. These include the importance of early childhood education, the preparedness of K-3 students, technology as an educational tool in the 21st century, vocational education, and funding.

He noted that he served as the public member during the last Legislation Education Funding Task Force [held during the 25th Legislature]. The task force looked at a variety of issues and needs regarding education. As a result of the task force's work, a piece of legislation was formulated that provided three years of funding to education.

He said that the stability a three-year funding system provides is irreparable in how districts plan. The results of the last

effort to provide multiple years of funding allowed districts to put programs into place that, over two or three years, would yield visible results. He gave the specific example of the program in the Kenai Peninsula and Kodiak who hired mentors to come into schools to get students up to grade level performance. He explained that this will be the third year of the program and it is anticipated that this will be the year these students are brought up to grade level. That program may be the first to go if the state can't sustain the level of funding.

He stressed that, at a local level, districts must make decisions to provide the best programs possible. AASB is represented by volunteers who are responsible for expending the \$1.1 billion for education.

When the question is asked how schools have improved in the last few years, it is important to note that children have not been taught in isolation, he said. He stressed that it is important to look at early childhood education in order to "grow citizens" who can get a foothold moving forward. Money that goes into education will not have direct results. He explained that the state is contending with communities, social change, and culture. Alaska has put a lot of money into education in the last ten years and many of Alaska's students are very successful and well prepared to assume their role as active member in society. He noted that those individuals caught up in the Department of Corrections or Public Safety system are not very well educated, have not been given a lot of options, and have made poor choices. He stressed that the answer to that problem is not less education.

[8:46:09 AM](#)

SENATOR STEVENS asked if he has any concerns on the legislature dictating where the money for educational funding must go with regard to vocational education.

MR. ROSE replied that categorical funding is outside the foundation formula. The funding for vocational education is inside the foundation formula and is being directed towards vocational education. In the past money has been provided to vocational education inside the 20-percent block grant. He reiterated that when the funding for special education, bilingual education, and vocational education is shared within this one block grant, the funding is controlled by one overriding issue (special education). This piece of legislation will identify money specifically for vocational education. He said he would recommend to the members of AASB that they use

this money for that particular area; otherwise their credibility will be damaged.

8:48:33 AM

ANDI STORY, Vice-President, Board of Education, Juneau School District, testified in support of SB 84. She noted that the board has submitted a letter to the committee in support of the bill. This letter highlighted some of the progress that the Juneau School District has made. She noted that math and reading scores have gone up and six of the seven elementary schools now meet AYP [Adequate Yearly Progress]. She said there is better news than some might think.

She said with regard to the categorical funding it is important, as board members, to look at their data and student needs. For example, it is important to target English language learners who have a lower proficiency in reading and math. She explained that along with special education, the amount of money available for vocational education is always smaller.

As a board member, she explained that she tries to make decisions that will affect the district eight years out. Districts across the state are looking at funding and trying to do the best possible with the money available.

She noted that the Juneau School District has looked at the national core standards and is working to implement these into the schools. One way that the district has been using the additional funding it has received for the past three years is to provide more data to teachers about student proficiency. This allows teachers to change their instructional practices in order for students to gain the skills that they need. She explained that flat funding is a decrease in funding due to costs that are out of the control of the district. The decrease of \$4.1 million in the district's budget includes the \$100 BSA increase.

8:54:31 AM

MS. STORY noted that with vocational education the district receives about \$80,000 in Carl Perkins Money. She explained that the materials used for these classes are expensive. The funding from SB 84 for vocational education will help with the curriculum and materials for this program and help develop programs for high school students, which are up to industry standards.

She emphasized the importance of districts being able to plan ahead in order to be efficient with staff and dollars.

She said that in regards to special education there are 111 intensive needs students in Juneau. These students have dire medical conditions and have to have someone with them at all times. She noted that there are also about 600 level one and two students in the district. This funding is also very expensive and is part of the block grant.

She emphasized that "our students are our north to the future."

[8:57:24 AM](#)

SENATOR FRENCH commented that "throwing money at education" has become a mantra within the capital and other places. He pointed out the chart on the BSA funding for the last 11 years [located in the document packet]. He noted that for five years in a row education was flat funded, while the cost of living increased throughout Alaska. The chart points out that the cost of living has gone up 28.8 percent in Anchorage and school allocation funding has gone up 29.4 percent. This is less than a 1 percent difference. He commented that money is really being thrown at the cost of living, not education.

SENATOR STEVENS asked if Ms. Story's local borough is funding to a cap.

MS. STORY replied yes, it has done so for years.

[8:59:37 AM](#)

AMY LUJAN, Executive Director, Alaska Association of School Business Officials (ALASBO), testified in support of SB 84. She highlighted part of the letter that ALASBO included in the committee's bill packet. She read:

We believe that a multi-year funding plan for the BSA is one of the most effective actions the Legislature can take to promote continued improvement to the quality of instruction across the state. We'd like to see our districts focus on instructional planning, rather than the debilitating distraction of pink slips and the uncertainty of cuts to promising programs each spring.

She explained that the members of ALASBO are "in the center of the storm." The multiyear funding gives districts a chance to plan in a rational way and is the best approach for students, she stressed.

[9:02:12 AM](#)

JOHN ALCANTRA, Lobbyist, National Education Association of Alaska (NEA-Alaska), testified in support of SB 84. He said if flat funding moves forward in the Matanuska-Susitna Valley the cut for the school district will be \$8.5 million, for Anchorage it will be about \$13 million, for Juneau it will be \$5 million, and for the Kenai Peninsula Borough it will be about \$3.5 million.

He added that inflation is "the thief in the night that robs you blind when you least expect it." The chart included in the document packet describes the funding for education over the past twelve years. He questioned that if inflation has averaged 2.4 percent for the last dozen years why press forward with a bill that has less than a 2.4-percent increase.

He noted when the Education Funding Task force in 2007 produced the piece of legislation that provided the \$100 BSA increase for three years this was a place holder which allowed districts to forward fund. He explained that in a forward-funding bill once it is set in statute it is very difficult to change the funding amount.

He questioned what would happen if the state was able to provide all of the resources necessary for students to receive the best education possible.

[9:08:59 AM](#)

BARBARA HUFF TUCKNESS, Director, Legislative and Governmental Affairs, Teamsters Local 959, testified in support of SB 84. She said this bill provides some basic tools for school districts to offer a different venue for students who do not choose to take the college or university route. She said that these vocational education programs are an important option and adding this funding into SB 84 is very positive.

SENATOR FRENCH asked whether there is interaction and communication between the Teamsters, other unions, and the vocational education programs that takes place in the high schools.

MS. HUFF TUCKNESS replied no. She explained that the Teamster's training trust has seen, over the last five years, that many students coming out of high school do not have some of the basic skills needed to enroll in some of its programs. Many of these students have to take remediation classes at the university in order to qualify for apprenticeship schools.

SENATOR FRENCH suggested that some sort of collaboration should take place so that the courses being offered in high school will allow students to be eligible for these apprenticeship programs.

9:12:33 AM

EARL LACKEY, Member, Board of Career and Technical School, testified in support of SB 84. He explained that he is a salesperson for a construction equipment dealer who is consistently looking for individuals with the career capabilities to work with their hands and have the basic understanding to build a house. He said that SB 84 addresses this issue well.

9:14:34 AM

JAMEY DUHAMEL, representing herself, testified in support of SB 84. She explained that for the last 16 years she has worked in the social work field and specializes in child abuse and disability issues. She argued that her experience working with child abuse issues does not fall outside of the educational domain. The education of children has a direct impact on society and Alaska is failing to prepare a sizable portion of children for life. She added that a lack of education increases public assistance rates and social ills. She recognized that social ills often have multiple causalities but it is known that low to no-income levels increase household stresses and lead to harmful coping mechanisms.

She noted that her oldest child experiences significant disabilities which will make non-vocational employment unlikely. She stressed the importance of having vocational education within high schools. She explained that her son's circumstance is not unique and there are many talented individuals who could benefit from more intensive vocational education. Currently 35 percent of the state's labor jobs employ non-residents and individuals close to retirement.

She continued that in the last four years the Matanuska-Susitna Borough has utilized the budget process called Program Based Budgeting in order to create a well-rounded fiscal plan. She explained that she has served on the budgeting committee since it began in 2007 and was disappointed that the process was not utilized this year. She reiterated that the Matanuska-Susitna Borough will face an \$8.3 million shortfall next year. Even after an early retirement incentive program the borough will still facing potential layoffs of 35 additional staff.

She stressed the importance of being able to plan ahead in order to prevent crisis management in the borough's fiscal plan. She also noted that an increase in the BSA is needed in order to compensate for the deflated economy.

She argued that children are Alaska's most valuable renewable resource and their needs should be prioritized. Making public education more of a funding priority will serve to support the governor's call to combat domestic violence and child abuse and also provide the skilled labor necessary in the state.

9:20:23 AM

ANNE KILKENNY, representing herself, testified in support of SB 84. She said K-12 education is a core function that the state needs to focus on. She noted that the House Finance Committee passed out its budget with a 5.2 percent increase, yet couldn't come up with a three-percent increase for Alaska's children. She explained that in the Matanuska-Susitna District the cost of health insurance will rise by two percent next year. This increase is more than the money the state would be providing with the \$100 BSA increase.

She said that a three year plan is very important for budgeting purposes, as is the inclusion of vocational education. Without this funding the district will see an increase in class sizes. She added that when the PTR [Pupil/Teacher Ratio] is increased the number of courses available decreases. She recommended that the bill be amended to include a 3-percent increase in the BSA on a yearly basis. She noted that HB 143 addresses this issue.

She suggested that the legislature not extend the compulsory age of attendance [addressed in SB 9].

9:26:04 AM

CRYSTAL NYGARD, representing herself, testified in support of SB 84. She said this is an opportunity for school districts to create, design, and reengineer their product. She explained that she sees the value of vocational education as an investment to "capture all markets of children." She stressed that the investment made today will increase the capacity of the Matanuska-Susitna Borough to deliver students into the workforce with marketable skills.

She stressed that good leadership keeps money in the classrooms and controlled overhead expenses helps develop children. She urged the committee and the Legislature to support SB 84 and to

require that there be improved results in education in order to show the return in investments to residents in Alaska.

[9:29:59 AM](#)

GEORGE CHEAP, Manager, Alaska Works Partnership, testified in support of SB 84. He explained that he works in a collaborative way with the school district in Fairbanks. He stressed the importance of focusing on children. About 60 percent of students are not going continue on to college. The courses that are offered in career-technical education programs are very rigorous and often allow students to go directly to work after high school. These are courses that offer a broad spectrum of career opportunities including information technology, health, transportation, construction, tourism, and resources. All of these areas are being met throughout the state by career and technical education courses. He noted that there is evidence that these types of courses help prevent drop outs.

CO-CHAIR MEYER added that Senator Thomas is responsible for the addition of the vocational education funding in SB 84.

[9:33:14 AM](#)

SUE HULL, Member, Fairbanks North Star Borough School Board, testified in support of SB 84. She said that the three-year funding commitment is important to the school board because it allows them to plan ahead. She explained that this year has been difficult because the school board has had to guess on its revenues and there are many insecurities regarding staff and local contributions that go along with this. She encouraged the committee to allow districts to be able to plan ahead so that educational decisions are not made based on faulty information.

She said in regards to the inflationary increase it is only reasonable to include this consideration. She said that if there isn't an inflationary increase the hard costs that are rising require districts to cannibalize those programs that are really making a difference for children. She said that the district has made some significant gains such as increasing graduation rates, lowering dropout rates, and focusing on early intervention.

She noted that it is helpful to have the legislature give intent language related to vocational education. She explained that these programs engage students and encourage them to stay in school because they see the relevance in what they are doing.

CO-CHAIR MEYER noted that for those who were not able to testify today, the committee would welcome written testimony.

[9:37:59 AM](#)

ANDRÉ LAYRAL, Executive Director, Alaska Association of Secondary School Principals (AASSP), testified in support of SB 84. He said that AASSP feels that this bill would be beneficial as a continuation of the recommendations from the Legislative Education Funding Task Force in 2007. He explained that the multiyear funding is extremely helpful for schools and school districts to plan and avoid layoff due to funding uncertainty. He said that at the school level it allows staff to focus on the continuity of implementation of programs. He said that without SB 84 schools and school districts will face renewed funding uncertainty. This bill is reasonable and will ensure that no ground is lost in the progress that districts have made over the last three years.

He noted that the provision on vocational education in SB 84 would also allow districts to offer a vibrant career and technical education curriculum.

[9:40:21 AM](#)

LARRY MOONEY, Business Agent, Laborers 341, testified in support of SB 84. He said, in his perception, there is overwhelming support for increasing vocational education opportunities in Alaska's high school. He explained that the current school funding formula does not address the additional costs of vocational education. SB 84 is a reasonable first step in addressing this problem. He noted that he also supports the BSA increase. For the sake of Alaska's future, educational funding must be a top priority.

[9:41:45 AM](#)

JOHNNY TAUNTON, Apprentice, Laborers 341, testified in support of SB 84. He said that the BSA increase is incredibly important for K-12 education in Alaska in order to meet education goals. He noted that increasing vocational education opportunities in high school is an important aspect of this.

[9:42:42 AM](#)

PATRICK FALON, Organizing Representative, Laborers 341, testified in support of SB 84. He said that the additional funds will aid students interested in vocational education to receive the training needed to pursue their career. He stressed that education is the base of Alaska's future for students who choose the vocational field.

[9:44:13 AM](#)

DOUG WALRATH, Director, Northwestern Alaska Career and Technical Center, testified in support of SB 84. He said that since the start of the center in 2003 they have seen nearly 2,000 students from 47 rural communities. He spoke of the welding training program that the center provides and its relevance to the vocational education funding included in SB 84. He stressed the importance of having tools available that teachers and students can train with. This bill will increase the opportunities for more rural school districts to prepare students for career and technical opportunities.

[9:47:10 AM](#)

DAVE JONES, Assistant Superintendent, Kenai Peninsula Borough School Board, testified in support of SB 84. He thanked the legislature for the previous forward funding. This funding gave the district the opportunity to create a long range plan for improvement on instructional programs. He explained that the school board developed a plan called "Programmatic Staffing," which resulted in the hiring of 40 full time positions targeted at instructional improvement for K-12. The statistical data they now have shows that the investment the state made has paid off. This includes catch-up growth in math and reading at the elementary level and improvement in graduation rates.

He explained that the board is currently in the process of creating the FY12 budget. The net result for the district is a deficit of \$3.5 million for FY12. The district would receive approximately \$1.9 million with the BSA increase as laid out by SB 84. This funding would be applied to the deficit and allow them to keep the instructional plan that has been developed in place. He added that the board is also working with their local borough in order to get some additional funding. He said that the board believes in the instructional plan that it has made and will look into fund balances in order to maintain that program. However, the district does not have the funding to maintain this funding for longer than one year.

He noted that the board and the community are excited about the vocational education funding in SB 84. He explained that with this funding the board would look at what makes the most instructional sense on a community level. He stressed that the district would be held accountable on a local level.

[9:52:29 AM](#)

LON GARRISON, President, Sitka School Board, testified in support of SB 84. He said that the testimony heard thus far is very compelling and comes from a variety of sources. He thanked

the committee and the legislature for their support in education in the past. He said that SB 84 will continue the good work the Legislative Education Funding Task Force began. This bill would provide funding that districts in Alaska desperately need. He explained that the Sitka School District faces a \$1.5 million shortfall this year. Without the BSA increase or vocational education funding, the result will be the loss of six to ten education positions in Sitka.

SB 84 would provide several hundred-thousand dollars in funding through the BSA and would provide critical money for career and technical education. He noted that up to 80 percent of Alaska's students may not be college bound. This funding allows districts to engage these students and get them to the finish line.

[9:56:06 AM](#)

KAREN MARTINSEN, representing herself, testified in support of SB 84. She said it is critical to keep in mind that education is an economic issue, not just about more money for schools. Currently Alaska does not have enough trained local hires for the labor demands in many fields. She pointed out that in the construction field 21 percent of the income leaves the state each month because the workers don't live here. She said if Alaska's students had the opportunity to start a career pathway at grade nine, the state would begin to have the type of workers that it requires. She said that her son is an example of a student who wants to be involved in vocational programs. She explained that he has exploited every course possible in Sitka and she is now investing in outside programs in order to keep him engaged and in school before heading into the workforce.

CO-CHAIR MEYER announced that the committee will continue taking public testimony on SB 84 at the following hearing. [SB 84 was held in committee.]

[10:02:30 AM](#)

There being no further business to come before the committee, Co-Chair Meyer adjourned the meeting at 10:02 a.m.