

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

March 21, 2011

8:04 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

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."

- MOVED CSSB 84(EDC) OUT OF COMMITTEE

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)
03/14/11	(S)	Heard & Held
03/14/11	(S)	MINUTE(EDC)
03/21/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

DAVE REES, Private Sector Member
Alaska Workforce Investment Board and
President
Business Education Compact
Eagle River, Alaska
POSITION STATEMENT: Testified in support of SB 84.

LADAWN DRUCE, President
Kenai Peninsula Teachers Association (KPEA)
Soldotna, Alaska
POSITION STATEMENT: Testified in support of SB 84.

SAMMIE CRAWFORD, Vice-President
Kenai Peninsula School Board
Kenai, 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.

RANDY LANTIEGNE, Member
Petersburg School Board
Petersburg, Alaska
POSITION STATEMENT: Testified in support of SB 84.

JILL SHOWMAN, President
Matanuska-Susitna Education Association
Wasilla, Alaska
POSITION STATEMENT: Testified in support of SB 84.

STEWART MCDONALD, Superintendent
Kodiak Island Borough School District
Kodiak, Alaska
POSITION STATEMENT: Testified in support of SB 84.

BETTY MACTAVISH, grandparent
Kodiak, Alaska
POSITION STATEMENT: Testified in support of SB 84.

RICK RIOS, Coordinator
Career and Technical Education (CTE)
Anchorage School District
Anchorage, Alaska
POSITION STATEMENT: Testified in support of SB 84.

PEGGY COWAN, Superintendent
North Slope Borough School District
Barrow, Alaska

POSITION STATEMENT: Testified in support of SB 84.

CHAD STITELER, Chief Finance Officer
Anchorage School District
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 84.

ANN MARIE PALMIERI, Member
Haines School Board
Haines, Alaska

POSITION STATEMENT: Testified in support of SB 84.

RICH CARLSON, Superintendent
Klawock School District
Klawock, Alaska

POSITION STATEMENT: Testified in support of SB 84.

STEVE LAROE, President
Fairbanks Education Association
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 84.

ACTION NARRATIVE

[8:04:27 AM](#)

CO-CHAIR JOE THOMAS called the Senate Education Standing Committee meeting to order at 8:04 a.m. Present at the call to order were Senators French, Stevens, Davis, Co-Chair Meyer and Co-Chair Thomas.

SB 84-VOC ED FUNDING/BASE STUDENT ALLOCATION

CO-CHAIR THOMAS announced the consideration of SB 84 [CSSB 84(), version D was before the committee].

[8:06:10 AM](#)

DAVE REES, Private Sector Member, Alaska Workforce Investment Board and President, Business Education Compact, testified in support of SB 84. He said that it is important to have students prepared to make the step from high school into the workforce and postsecondary schools. The vocational aspect of this bill is very relative to many different careers including: health, construction, engineering and more. The Department of Labor and

Workforce Development (DOLWD), the Department of Education and Early Development (DEED) and the University of Alaska, along with the help of industry organizations have put together a career and technical education (CTE) plan, which will help attain the goals of the state in educating Alaskans. However, the CTE plan needs to have funding support; this bill will help do so.

8:09:40 AM

LADAWN DRUCE, President, Kenai Peninsula Teachers Association (KPEA), testified in support of SB 84. The base student allocation (BSA) increase of \$100 will mean \$1.7 million for the Kenai School District. She explained that over 64 percent of the local district's budget comes from state revenues. With the current level of funding the district is facing a \$3.5 million deficit. She noted that the vocational funding provided in SB 84 is also a positive aspect of the bill. To move this funding outside of the funding formula means vocational programs will get the attention that it deserves. She explained that because of the lack of funding not all students have had access to these programs. The funding included in SB 84 will not add programs or hire more teachers in the district; rather, the district is trying to recoup programs that have been cut over the years and remain at a status-quo level.

8:12:28 AM

SAMMIE CRAWFORD, Vice-President, Kenai Peninsula School Board, testified in support of SB 84. She reiterated that the district will not be adding programs or hiring new teachers if it receives this funding, but rather try to maintain and save programs. A large cost to the district is the cost of utilities. She explained that for three years the district had an incentive program for schools and students in order to be cautious with utility costs. This program has worked and the cost of utilities was cut back in every single building. As an incentive, the individual schools got back part of the savings. She explained that while this year the district saved a lot of money, the cost of utilities has risen and they are behind once again. She noted that vocational education is very important to many students.

8:15:08 AM

SUE HULL, Member, Fairbanks North Star Borough School Board, testified in support of SB 84. She clarified that the BSA increase is very important to the district. She explained that the district has had to cut funding back in order to keep up with the inflationary pressures. These costs cannibalize the work the district has done to improve the outcome for students.

She said that all three components of SB 84 are important: the ability to plan, the inflationary increase, and the vocational education component.

8:17:49 AM

RANDY LANTIEGNE, Member, Petersburg School Board, testified in support of SB 84. He said that Petersburg has a strong school system with a stable staff, competent administrators and involved parents. This bill would provide stable and predictable funding for the next three years along with much needed funds for vocational education. He noted that the district has managed its funding frugally and has been educationally innovative. However, if education is flat funded for FY2012, even with wise spending, cooperative labor relations, and generous community support the district faces a deficit of \$177,000. SB 84 ensures continuation and expansion of vocational education offerings. The rising costs of utilities and health insurance jeopardizes their ability to fund programs currently in place in Petersburg.

8:20:52 AM

JILL SHOWMAN, President, Matanuska-Susitna Education Association, testified in support of SB 84. She said that separating vocational education from the special needs funding formula is important and it is vital that students have these various opportunities and skills. She emphasized the importance of the BSA increase for three years and that the forward funding allows the district to better prepare for the upcoming year. This includes having consistent teaching staff who make the available programs more solid and provide a better education for students. She noted that the increase in the BSA does not quite keep up with inflation. She asked the committee to consider inching the BSA amount up slightly each year so that districts can keep up with rising costs.

She said that one of the suggestions from the administration has been to cut current programs. She said that this means a loss of specialists throughout the district. She explained that the obesity rates in the state and in the nation are horrendous. The cuts that the district is looking to make are with nurses and PE teachers who work hand-in-hand to address health and weight issues. She reiterated that the district is not asking for funding to start new programs, only to maintain what it already has.

8:25:36 AM

STEWART MCDONALD, Superintendent, Kodiak Island Borough School District, testified in support of SB 84. He said that multi-

year funding allows school districts to think forward in order to try and accomplish things that make a lasting impact on students. As a district, with regard to graduation rates and dropout rates, it is important to provide classes that students need, when they need them. Because of HB 273 [passed during the Alaska State 25th Legislature] the district was able to offer course work (through distance education) in rural areas when it was needed. He explained that in past years the district has only been able to offer math through algebra I to many of these rural school sites, however this year the district was able to offer through pre-calculus. He said that, like many other districts, they are facing inevitable cuts to education this year. He noted that the issue with special education is that students who qualify are already behind. In order to keep up with the demand of students' needs, there needs to be intervention in place before they qualify for special education services. HB 273 allowed them to employ a math interventionist position, which has been working. SB 84 promises to keep this position going and continue to enhance similar programs.

[8:30:49 AM](#)

BETTY MACTAVISH, grandparent, testified in support of SB 84. She said that she has been able to watch the math program that was put into place in the district and see her granddaughter's success. She explained that her concern is that the math program will not continue.

[8:33:20 AM](#)

RICK RIOS, Coordinator, Career and Technical Education (CTE), Anchorage School District, testified in support of SB 84. He explained that both of his sons left Alaska in order to get the training and education they needed for the jobs that they currently hold. CTE funding on the state and federal level has been flat-funded for nearly 20 years. He reiterated that the Anchorage School District has been moving towards investing in CTE on a local level. The district has engaged with the Department of Labor and Workforce Development in order to have career guides in their school. He said that "education is not an employment institution, and therefore sometimes loses track of one of their obligations: to make the students employable." He stressed that the district is committed to moving forward, however, it does not have any more funding. SB 84 will allow the district to rebuild some of the infrastructure for vocational education and hire teachers.

[8:39:17 AM](#)

CO-CHAIR THOMAS noted that it is his intention to move this bill out of committee.

[8:39:56 AM](#)

PEGGY COWAN, Superintendent, North Slope Borough School District, testified in support of SB 84. She said that the district's base budget requires \$2.5 million in revenue in order to sustain its current efforts. She noted that, as with other districts, the district will not be expanding programs and will still have to make difficult decisions regarding funding cuts. She explained that last year the district cut 17 positions and approximately five percent of each school's budget. She noted that the vocational education factor is a welcome addition to the funding as well.

[8:42:07 AM](#)

CHAD STITELER, Chief Finance Officer, Anchorage School District, testified in support of SB 84. He explained that the increase in the BSA in the past has allowed the district's revenues to more closely match the natural inflationary increases. He noted that the three-year funding package created a dramatically different environment both in the central office and in the schools. It also made employees more effective in their jobs rather than having to focus on concern over losing their job. The BSA increase in SB 84 will continue to provide the same protection from inflation and allow the district to forecast ahead. The planning results for the next six years are discouraging for education in Anchorage. He explained that assuming a conservative rate of inflation in the plan and other costs of business, with no increase to state or local funding the district will face over a \$100 million deficit in the sixth year of the plan.

[8:45:57 AM](#)

ANN MARIE PALMIERI, Member, Haines School Board, stated support for SB 84.

[8:46:40 AM](#)

RICH CARLSON, Superintendent, Klawock School District testified in support of SB 84. He noted that he included his testimony in writing.

[8:47:27 AM](#)

STEVE LAROE, President, Fairbanks Education Association, stated support for the committee substitute for SB 84. He said that the forward funding has worked and provided stability over the past years and he would appreciate seeing that continue.

8:48:50 AM

CO-CHAIR THOMAS closed public testimony.

8:48:59 AM

SENATOR FRENCH commented that there is an impressive array of individuals reaching out to testify this morning who support education.

SENATOR DAVIS thanked the individuals who called in to testify. She said that she is concerned that the BSA has not been brought up to the inflation rate. She asked if the committee would be accepting any amendments to the bill today.

CO-CHAIR THOMAS replied he had not expected to.

SENATOR DAVIS said that she had not prepared an amendment. She explained that based upon the testimony heard today there are concerns that the BSA does not match the inflationary increases. She noted that the highest amount for the BSA increase is located in the third year. She asked if it would be possible to reverse this, so that the first year receives the highest amount.

CO-CHAIR THOMAS replied that this would probably mean more comment from the public.

SENATOR DAVIS noted that if the amount in the first year is more than inflation, then it could be changed to the adjusted rate.

CO-CHAIR THOMAS said that everyone is concerned about inflation, especially with fuel costs. He commented that he is not sure if reversing the amounts would do anything other than reduce the amount on the far end versus now. He noted that he does understand her concern.

8:51:46 AM

SENATOR FRENCH pointed out that according to the fiscal note for CSSB 84, for this year it means \$38 million more for school districts and less in FY2013 and 2014 because of the vocational education breakout. He said that there is an extra \$10 million being put into education statewide this year. He noted that he shares Senator Davis' concerns. However, on the other hand, the governor proposed no funding increases for education and this bill is a step in the right direction.

CO-CHAIR MEYER concurred that the bill is a good start. He said the additional amount being factored in for vocational education will save more for the BSA and the classroom. He noted that now that the lunch and breakfast program has been fully funded this also frees up money to go to the classroom. He added that additionally, Senator Hoffman's bill focuses on fuel costs, and would aid with school utility costs. He said that this is a good start when all of these factors are taken into consideration and blended together. He stressed that it is important to get this bill up to Finance.

CO-CHAIR THOMAS concurred.

SENATOR DAVIS said she supports all of the comments being made. She concurred that this is a good start, but it is not where the state needs to be and if the changes are not made in the Education Committee, it will not happen at all. She noted that she is not going to stop the bill from moving out of the committee but the BSA increase needs to at least come up to the inflation rate.

[8:56:35 AM](#)

CO-CHAIR MEYER moved to report [CS]SB 84(), [version D] from the committee with individual recommendations and attached fiscal note(s). There being no objections, CSSB 84 (EDC) moved from the committee.

[8:57:10 AM](#)

There being no further business to come before the committee, Co-Chair Thomas adjourned the meeting at 8:57 a.m.