

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

April 8, 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

MEMBERS ABSENT

Senator Gary Stevens

COMMITTEE CALENDAR

SENATE BILL NO. 107

"An Act making special appropriations for new engineering buildings for the University of Alaska in Anchorage and Fairbanks."

- MOVED SB 107 OUT OF COMMITTEE

SENATE BILL NO. 6

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

- HEARD & HELD

PRESENTATION: FISHER REPORT - UNIVERSITY OF ALASKA

- HEARD

REVIOUS COMMITTEE ACTION

BILL: SB 107

SHORT TITLE: APPROP: UNIV. ENGINEERING BUILDINGS

SPONSOR(s): SENATOR(s) ELLIS

03/21/11	(S)	READ THE FIRST TIME - REFERRALS
03/21/11	(S)	EDC, FIN
04/06/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
04/06/11	(S)	Heard & Held
04/06/11	(S)	MINUTE(EDC)
04/08/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

BILL: SB 6

SHORT TITLE: PREKINDERGARTEN SCHOOL PROGRAMS/PLANS

SPONSOR(S): SENATOR(S) DAVIS, FRENCH

01/19/11	(S)	PREFILE RELEASED 1/7/11
01/19/11	(S)	READ THE FIRST TIME - REFERRALS
01/19/11	(S)	EDC, FIN
02/28/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/28/11	(S)	Scheduled But Not Heard
03/14/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
03/14/11	(S)	Scheduled But Not Heard
03/25/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
03/25/11	(S)	Heard & Held
03/25/11	(S)	MINUTE(EDC)
03/30/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
03/30/11	(S)	Scheduled But Not Heard
04/01/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
04/01/11	(S)	Heard & Held
04/01/11	(S)	MINUTE(EDC)
04/08/11	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

THOMAS OBERMEYER, Staff
Senator Bettye Davis
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a summary of changes of CSSB 6(), version I, from the original bill on behalf of the co-sponsor.

LILA HOBBS, Staff
Senator Hollis French
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced herself to the committee.

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

POSITION STATEMENT: Spoke to the fiscal note for CSSB 6(), version I.

WENDY REDMAN, Executive Vice President
University Relations
University of Alaska

Fairbanks, Alaska

POSITION STATEMENT: Gave a presentation on the Fisher Report for the University of Alaska.

ACTION NARRATIVE

[8:04:32 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, Davis, Co-Chair Meyer and Co-Chair Thomas.

SB 107-APPROP: UNIV. ENGINEERING BUILDINGS

[8:05:32 AM](#)

CO-CHAIR THOMAS announced the consideration of SB 107.

[8:05:48 AM](#)

CO-CHAIR THOMAS closed public testimony.

[8:06:54 AM](#)

CO-CHAIR MEYER moved to report SB 107 from the committee with individual recommendations. There being no objections, SB 107 moved from the Senate Education Standing Committee.

SB 6-PREKINDERGARTEN SCHOOL PROGRAMS/PLANS

[8:07:28 AM](#)

CO-CHAIR THOMAS announced the consideration of SB 6.

[8:07:34 AM](#)

CO-CHAIR MEYER moved to adopt the committee substitute (CS) for SB 6, labeled 27-LS0058\I as the working document. Hearing no objection, version I was before the committee.

[8:08:00 AM](#)

THOMAS OBERMEYER, Staff to Senator Bettye Davis, co-sponsor of SB 6, introduced himself.

LILA HOBBS, Staff to Senator Hollis French, co-sponsor of SB 6, introduced herself.

MR. OBERMEYER said version I changes the age of the students enrolled in a public prekindergarten program from "4 and 5 years of age" to "4 years of age". He noted that this version also provides for the inclusion of the prekindergarten students in the student count and changes the inclusion of these students

from "part time" to "not more than a half-time". He asked if the committee would like him to read the sponsor statement.

SENATOR DAVIS said the sponsor statement has already been read. She asked Mr. Obermeyer to go through the changes that have been made to version I in comparison to the original bill.

MR. OBERMEYER said Section 1, subsection (a), on page 1, describes a prekindergarten program for students four years of age. He explained that the bill previously had included both four- and five-year-olds. However, five-year-olds can be enrolled in a regular kindergarten program.

On page 2, Section 3, subsection (b), an exception was removed regarding the estimated count [for the first year of the program]. He explained that the Department of Education and Early Development (DEED) cannot fund an estimated count. This change now allows the department to make the regular count in October and will set the dollar amount for those students enrolled already for that school year.

Finally, and most importantly for the fiscal note, on page 2, lines 13-16, a student who is enrolled in a prekindergarten program provided by a district shall be counted as not more than half-time. He explained that previously the bill included the wording "part-time"; however, there are a number of different types of "part-time" students.

[8:12:29 AM](#)

SENATOR FRENCH said the previous fiscal note was based on a cohort of four- and five-year-olds attending prekindergarten half-time, which is what currently occurs with a kindergarten class. He asked if this is correct.

MR. OBERMEYER replied that, in his understanding, DEED took the current number of five-year-olds currently in kindergarten and assumed that all four-year-olds would be moving into that age group in the next year and included them in the ADM [Average Daily Membership] on a full-time basis. This greatly inflated the previous fiscal note. He added that he has not heard from the department yet since version I had to be adopted before DEED would speak to the fiscal note. However, in his understanding, this may cut the fiscal note in half.

SENATOR FRENCH said he will follow up with the department. He asked for confirmation that the number of hours per day that a

child would spend in a prekindergarten program is about half a day.

MR. OBERMEYER replied yes. He noted that this is a part-time and an optional program.

8:14:53 AM

ELIZABETH NUDELMAN, Director, School Finance, Department of Education and Early Development (DEED), spoke to the fiscal note for CSSB 6, version I. She explained that the department used the kindergarten cohort as the total number of students who would be eligible for the new program and applied a one-half full time equivalent. She said in doing so this makes the fiscal note one-half of the previous fiscal note, which calculated each prekindergarten student as full-time. The new fiscal note is anticipated to be \$41.826 million.

She noted that the fiscal note also acknowledged the changes in version I regarding the reference of four-year-olds as opposed to four- and five-year-olds. She explained that the change in age does not change the amount in the fiscal note, since the focus is on one cohort.

She continued that in changing and removing the funding from an estimate to an actual October count, the department's feedback is that this program funds on "actuals" and she does not know how close an estimate would be. She recommended that this program be funded through an actual count. She added that the fiscal note does not address the facility issue and DEED would not anticipate anything large in the initial year's fiscal note, if at all.

8:17:39 AM

SENATOR FRENCH asked for confirmation that the foundation formula pays the same for children whether they are in kindergarten or 12th grade.

MS. NUDELMAN replied yes.

SENATOR FRENCH asked if DEED has done any research into whether the costs are actually the same for each grade or if that is the way the department divides out the amount of money to be spent.

MS. NUDELMAN replied that's the way the department divides out the money it spends. She explained that the department has not specifically studied the differences.

SENATOR FRENCH said the reason he raises this question is that while he would like to leave the fiscal note small, he wants to have a quality prekindergarten program, which might cost more. He asked her to look into this over the interim.

SENATOR DAVIS said the kindergarten program can be looked at as a good model where the funding formula is working. She reiterated that the previous fiscal note was highly inflated because four- and five-year-olds were both included. She asked for confirmation that the department simply cut the fiscal note in half.

MS. NUDELMAN replied yes.

SENATOR DAVIS asked for confirmation that the fiscal note is now \$41 million.

MS. NUDELMAN replied yes.

SENATOR DAVIS said she is disappointed that the committee has received no input from DEED with regard to the bill, except about the fiscal note. She said that with such an important topic, it would be expected that there be some response from the department. She stressed that the legislature is responsible for providing education for Alaska's children and needs to come up with a program that will work. She noted that this bill does not force schools to have a prekindergarten program, but there are a lot of schools that do want it. She said that she is going to do everything that she can to get the message out to the public in order to get input on it. She opined that the volunteer programs and the pilot program don't meet the needs of all of the state's students.

[8:22:41 AM](#)

CO-CHAIR THOMAS said he understands it is difficult for the department to take a position when the governor has not made his position clear.

SENATOR DAVIS took issue with that.

CO-CHAIR THOMAS said that with regard to moving forward, the committee has had some discussions with the Alaska Early Childhood Coordinating Council and will schedule some meetings in the fall to help put together a more structured plan for next session.

CO-CHAIR MEYER added that the committee did write a letter to the council requesting that it give some formal presentations to the committee during the interim on prekindergarten. He said hopefully the council will also look at SB 6. There are a lot of good things going on in the pre-K area, however there doesn't appear to be a central coordinating effort to help the legislature efficiently provide prekindergarten. He said SB 6 goes a long way in doing just this.

CO-CHAIR THOMAS concurred. He announced he would hold SB 6 in committee.

PRESENTATION: FISHER REPORT - UNIVERSITY OF ALASKA

[8:24:52 AM](#)

CO-CHAIR THOMAS announced that the next order of business would be to hear a presentation from the University of Alaska (UA) on the Fisher Report.

[8:25:21 AM](#)

WENDY REDMAN, Executive Vice President, University Relations, University of Alaska, brought the committee's attention to a Power Point Presentation titled, Fisher Report UA Institutional Review [presentation included in the document packet]. She explained that the University of Alaska's president, Pat Gamble, with support from the Rasmuson Foundation, commissioned a consultant to do a broad review of the UA system. The purpose of the report was:

1. To assist the president of the Board of Regents in assessing the overall condition of the UA system.
2. To advice on the attitudes of the university and the system constituencies.
3. To candidly identify and address issues and opportunities affecting the UA system.
4. To recommend a tentative agenda for the future, which could be used in strategic planning.

She explained that President Gamble came in during a time when the UA's strategic plan had just ended and he wanted some "new eyes" on the issues that the university is facing. Dr. Fisher and a group of five additional individuals came for six days and met with several hundred people. She said that there are things in the report that make everyone happy and other things that make every constituency unhappy.

She said Dr. Fisher identified five of the most significant challenges the university system will face over the course of the next year.

She began with the first significant challenge:

How much should the UAA campus be developed in size and programs and to what extent might (should) this occur at the expense of UAF?

She explained that this challenge impacts many other issues at the university currently and is an issue that many states are facing. At this point UA is trying to work carefully with the campuses in order to clarify what the missions of each campus are and have the Board of Regents be able to distinctly identify different institutional goals.

She said that some of the specific recommendations that fell under this category included program specialization (particularly at the graduate level); graduate program size; that UAA's research should focus on social, behavioral, and education; that UAF's research should focus on science and engineering; program collaboration; and enhanced E-learning and distance education.

[8:32:52 AM](#)

MS. REDMAN continued with the second significant challenge:

How can the University of Alaska further improve its performance in critical areas such as student retention, student graduation, and externally recognized academic quality?

She noted that this is where the Fisher Report overlapped with the Higher Education/Career Readiness Task Force. She explained that these are the issues that President Gamble has recognized as the most important for him at this point. The movement of the K-12 system to measure the outcome of schools is now coming back to the universities, she added. She explained that while there are majors that are part of a professional program which can be measured, with general education and liberal art students these measurements don't exist.

She noted that UA's retention rates in Alaska are the lowest in the nation. There are a lot of reasons for that, one of which is the way the system is organized, with many of the community colleges and universities combined. She explained that when the

community colleges and universities are "teased apart" the UA system ranks about average in the nation. "Which isn't very good...in this country right now, in terms of student retention and graduation," she said. One of the recommendations from the report was how to determine retention and graduation rates. She explained that because students attending community campuses have different goals (their goal is not to graduate and get a degree), these individuals should not be included in that count. After a research study done by UA a few years ago to track students who had left UAA, it was found that when individuals were asked why they left, the overwhelming answer was: "we got what we came for."

She added that the national data is based on five-year graduation rates. However, when looking at the 10-year graduation rate for UAA, the university is suddenly at the national norm. She explained that this may correlate with the high employment rate of Alaska, because when people are working they aren't in school. She added that 80 percent of UAA's students go to school part-time and it takes longer to graduate.

[8:37:16 AM](#)

CO-CHAIR THOMAS asked for confirmation that anyone who takes a class at the university could be considered a drop out, simply because they don't complete their education.

MS. REDMAN replied that on the national data students have to state that they are at the university in order to obtain a specific degree. She explained that this means that even if a student has not been accepted into a specific degree program, they are included in the data for completion or lack of completion.

CO-CHAIR THOMAS asked for confirmation that an individual who takes one class at a community college would not be considered a "failure."

MS. REDMAN replied no, not right now.

She said on the national level there are three groups working on the issue of completion for college students including Compete to Complete. She noted that there is going to be a lot of focus on this in the next few years. She noted that the university can no longer "point the finger" at schools for the unpreparedness of students. It is important to work with schools in order to figure out what areas the university and [K-12] schools need to help enhance a student's ability to be successful in college.

She provided the committee with some current programs that work very effectively, including the summer academies and pre-college experiences. She noted that in the last three years these K-12 summer institutes have had a high priority within the university's budget request. She added that participation with Boy Scouts, Girl Scouts, and Youth Groups are high predictors of success in college.

She continued that there has been work internally to make sure that barriers have been taken down within the university, such as transferability and high-quality advising. She added that the university can make advising mandatory for the Alaska Scholars and the new scholars coming in with [the Alaska Performance Scholarship] program, which will greatly enhance these individuals' success.

8:40:46 AM

SENATOR FRENCH asked what can be done to advertise UA's qualities to students around the nation.

MS. REDMAN replied that marketing can be very expensive, which has meant that not a lot has been done in the past few years. She explained that the University of Alaska Southeast (UAS) uses targeted marketing in outdoor magazines and UAF and UAA did a joint recruiting trip this year in Washington and California. She added that the university system is trying to be very innovative and focused in its undergraduate recruitment.

SENATOR FRENCH said that Alaska provides unique outdoor opportunities and this strength should be capitalized on.

MS. REDMAN commented that this has been very successful.

SENATOR FRENCH noted that he was not aware that UAS was advertising in outdoor magazines.

MS. REDMAN added that UAF has to get past the "cold" aspect and came up with a series of ads that make cold look fun.

8:43:12 AM

SENATOR DAVIS asked if there have been any studies on the success (or not success) of merging the community colleges with the three main campuses and what student retention was like prior to this merge versus now.

MS. REDMAN replied that she was the vice chancellor of the community college division when it was merged with the

university campuses. She added that she did not believe it was a good idea at the time. However, at this point, to go backwards is not realistic, she opined. Anchorage has tried to segregate and present different doorways for students who are less prepared for college. Fairbanks has moved in the other direction and have higher university entry standards. She explained that for UAF this was easier because its community college campus was not "sharing real estate;" this is not the case for UAA.

She added that community colleges around the state would probably state that the current system is preferable. For students, it has probably been better because there are no transfer issues. However, every new president that she has worked with has come to her at some point and noted that it was not a good idea to merge these two together. She reiterated that, at this point, it would be too difficult to separate the two.

[8:47:19 AM](#)

She continued with significant challenge 3:

How can the University of Alaska prepare for a future that plausibly could involve diminished oil tax revenues, increased emphasis upon non-petroleum sources of economic activity, and gradually rising average annual temperatures?

She noted that she is unclear what "gradually rising average annual temperatures" means, however, Dr. Fisher would not take it out.

She added that, in general, challenge three is the overriding issue that UA is facing internally.

CO-CHAIR MEYER said that he too is not sure what the gradually rising average temperatures means. However, he agreed that the diminishing oil money is an issue. He asked what is being done to prepare for the day when that money runs out and whether some of the land that was set aside for the university could be used as a source of funding by either selling or leasing it out. He added that he is aware that UA's alumni donations are very low.

CO-CHAIR THOMAS noted that President Gamble was previously the president of the [Alaska Railroad Corporation], which has a fare amount of income that comes from real estate. He said that he would likely have some insight as to how that operations works.

MS. REDMAN replied that the 250,000 acres given to UA was taken back by the Alaska Supreme Court, which stated that it basically constituted an appropriation. She explained that after two years of attempting to get this land back, it was decided that the university should wait until there was a new and more "favorable" [Department of Natural Resources (DNR)] to work with. She noted that the commitment for this land does still exist.

She said that the university is making a lot of money on the land that it currently has (about 140,000 acres) and funds the UA scholars' program with this money.

CO-CHAIR MEYER asked for clarification that she is discussing the Alaska Department of Natural Resources.

MS. REDMAN replied yes.

CO-CHAIR MEYER asked "do we have that now?"

MS. REDMAN [shook her head, no.]

CO-CHAIR MEYER said the legislature spent a lot of time on that land. He said he thought that it had been worked out.

MS. REDMAN said "so did I." However, the university had to relitigate the entire thing back through the legislature, where it never left the House Resources Committee.

She added that there has been renewed energy on fund raising. She explained that UA's alumni fundraising is very low nationally and there is a lot of room for improvement. Private philanthropy in Alaska is also very low nationally. This is a difficult state and there are a lot of challenges to overcome. She said that part of the challenge is being met by the university's own work of teaching students about what it means to give back and be philanthropists themselves. This has begun with students who are recipients of scholarships and encouraging them to give back once they are employed. She said "we need to build that into their psyche."

She said with regard to the future, a flat budget is assumed for the university, which could be the best case scenario. For UA this means reallocating a lot of internal resources and not starting any new programs.

She said that UA is doing a program review of the system administration. She added that the Mac Taggart Report for the University of Alaska is another consultant report which focused specifically on statewide administration. There are a lot of groups that are working on the financial and risk management of the university and other "backroom" functions that keep the university moving between campuses and the system level.

[CO-CHAIR THOMAS turned the gavel over to Co-Chair Meyer.]

[8:55:50 AM](#)

MS. REDMAN continued with the fourth significant challenge:

How can the University of Alaska be organized in order to reduce its costs and increase its performance?

She said the proposal to add a common core curriculum has caused some consternation among campuses. Many people in the public are surprised to find that the university does not have this. There is a lot of internal conversation regarding this topic and while it is not a big money saver it would be good for students, she opined.

She noted that the elimination of ineffective and low enrollment programs is done every ten years, however, this needs to be done on a more regular basis.

[8:57:03 AM](#)

MS. REDMAN continued with the fifth significant challenge:

President Gamble must develop and endorse a model which sharpens the mission(s), generates support and reduces costs.

She explained that President Gamble is currently working on developing a strategic plan which acknowledges the reality of the resource situation in the state, in order to reallocate and collaborate internally to meet the needs Alaska has. She noted that this is a large challenge without any new general fund money. Any funding allocations for the university's growth will have to come internally.

CO-CHAIR MEYER said it appears that the system may be a bit top-heavy. He said that at some point he would like to understand what it takes to become a Division I school; he noted that in order to attract students, many like the prestige of this label.

He said that this would conclude the Senate Education Standing Committee meetings for the session. He reminded the committee that, because the legislature is in the 24 hour notice, that the co-chairs reserve the right to call members back.

9:00:27 AM

There being no further business to come before the committee, Co-Chair Meyer adjourned the meeting at 9:00 a.m.