

**ALASKA STATE LEGISLATURE  
SENATE EDUCATION STANDING COMMITTEE**

January 27, 2012

8:03 a.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

Senator Bettye Davis, Vice Chair

**COMMITTEE CALENDAR**

SENATE BILL NO. 171

"An Act increasing the base student allocation used for public school funding; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 171

SHORT TITLE: INCREASE BASE STUDENT ALLOCATION

SPONSOR(s): EDUCATION

01/20/12	(S)	READ THE FIRST TIME - REFERRALS
01/20/12	(S)	EDC, FIN
01/27/12	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

DAVID HERBERT, President  
Alaska Council of School Administrators  
St. Mary's, Alaska  
**POSITION STATEMENT:** Supports SB 171.

SIERRA LLOYD, Student  
Harborview Elementary School  
Juneau, Alaska  
**POSITION STATEMENT:** Supports SB 171.

LILLIAN WORL, representing herself

Juneau, Alaska

**POSITION STATEMENT:** Supports SB 171.

MAUREEN HALL, School Nurse

Juneau School District

Juneau, Alaska

**POSITION STATEMENT:** Supports SB 171.

DR. JOY NEYHART, Pediatrician

Rainforest Pediatric Care

Juneau, Alaska

**POSITION STATEMENT:** Supports SB 171.

STEWART MCDONALD, Superintendent

Kodiak Island Borough School District

Kodiak, Alaska

**POSITION STATEMENT:** Supports SB 171.

PETER HOEPFNER, President

Cordova School District Board of Education

Cordova, Alaska

**POSITION STATEMENT:** Supports SB 171.

ANNE KILKENNY, representing herself

Matanuska-Susitna Borough, Alaska

**POSITION STATEMENT:** Supports SB 171.

#### **ACTION NARRATIVE**

[8:03:24 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 French, Stevens, Co-Chair Meyer and Co-Chair Thomas

#### **SB 171-INCREASE BASE STUDENT ALLOCATION**

[8:04:44 AM](#)

**CO-CHAIR MEYER** announced the consideration of SB 171.

[8:06:18 AM](#)

**MURRAY RICHMOND**, staff to Senator Thomas, co-aide for the Senate Education Committee, SB 171 sponsor, said the bill gives districts the ability to craft responsible and conservative budgets with a three year plan of modest increases so districts know how to plan. He said the bill changes the effective date for the base student allocation (BSA) and raises the amounts to

\$5805 on July 1, 2012, \$5935 on July 1, 2013 and \$6070 on July 1, 2014. He noted that annual BSA increases amount to \$125 for the first year, \$130 for the second year and \$135 for the third year.

[8:08:09 AM](#)

MR. RICHMOND said the Alaska Council of School Administrators (ACSA) FY13 Funding Review reported that districts would require a \$320 BSA increase to keep pace with expected cost increases, excluding energy costs. He said many districts were facing budget cuts and layoffs even with a BSA increase. Academic Year 2012-13 (AY13) projections include Fairbanks with a \$14.6 million shortfall, Anchorage with a \$6.2 million budget reduction, Juneau with a \$3.6 to \$5.9 million budget cut and Kodiak with a \$1.2 million to \$1.3 million reduction.

He noted that Haines was one of 12 districts which met Adequate Yearly Progress (AYP) standards in 2011 with an 88 percent graduation rate and 50 percent of its graduates qualifying for the Alaska Performance Scholarship (APS). He said the Haines School District voiced concerns that budget cuts could have a negative impact on positive gains made in academic performance.

[8:10:46 AM](#)

MR. RICHMOND reviewed a report from the Economic Policy Institute (EPI) titled "Where Has The Money Been Going" to address spending levels and program compositional change in elementary and secondary education from 1967 to 2005. He said the report concluded that conventional views of the rise of education spending were exaggerated because inflation in educational services was more rapid than inflation in the economy overall due to a high percentage of labor cost in education versus other industries. He said the real increase in school spending has been on special education rather than on regular academic programs. He said federally mandated special education spending increased from 3.7 percent in 1967 to 21.0 percent in 2005 and regular education spending decreased from 79.6 percent in 1967 to 55.0 percent in 2005.

SENATOR STEVENS asked if federal funding on special education has increased.

[8:12:32 AM](#)

MR. RICHMOND answered that federal funding was decreasing for special education.

[8:13:06 AM](#)

MR. RICHMOND addressed an assumption that Alaska spends more per student than any other state in the U.S. He said a report from the National Education Association (NEA) shows the state does not lead the U.S. in per student spending and spending continues to decrease, down from tenth in AY04 to twenty second in AY10. He noted that Alaska was at one time as high as third in the U.S. for per student spending.

He reviewed 2011 academic achievement assessment of elementary and secondary students in Alaska from The Nation's Report Card via the National Assessment of Educational Progress (NAEP). He said for average test results in reading, the state's fourth-grade students ranked lower than those in 46 states/jurisdictions and eighth-grade students ranked lower than 33 states/jurisdictions. He said in mathematics, the state's fourth-grade students ranked lower than those in 33 states/jurisdictions and eighth-grade students ranked lower than those in 22 states/jurisdictions. He noted that achievement level percentages and average score results have steadily increased for eighth-grade students.

[8:17:38 AM](#)

He said Alaska's dropout rate has steadily declined from slightly above 6 percent in 2000 to below 5 percent in 2010.

[8:18:25 AM](#)

SENATOR FRENCH asked to verify NAEP test results that fourth-grade reading scores declined while fourth-grade math, eighth-grade reading and eighth-grade math improved.

MR. RICHMOND answered correct.

SENATOR FRENCH commented that the dropout rate reduction was positive and noted that he was under the impression that the dropout rate was 40 percent. He asked how the lower dropout rate was measured.

MR. RICHMOND answered that the dropout rate submitted was based on an annual percentage and Senator French may be referring to the cumulative dropout rate. He noted that the cumulative dropout rate has declined from 40 percent to 32 percent.

[8:20:18 AM](#)

CO-CHAIR MEYER commented on the Crime Summit recently presented by Senator French and education's indirect effect on crime. He said the recent Pre-Kindergarten Task Force and the Moore case

settlement both emphasized the importance of early childhood education.

[8:21:16 AM](#)

CO-CHAIR THOMAS commented that reports presented were helpful and showed positive progress. He noted the importance of documentation to support how educational data was derived, e.g., how and when the dropout rate was calculated for an annual or graduation class percentage.

[8:23:21 AM](#)

DAVID HERBERT, President, Alaska Council of School Administrators (ACSA), said a recent ACSA report on the BSA showed a \$320 increase was required for school districts to meet projected cost increases and noted that the BSA has not increased during the past two fiscal years. He said ACSA has determined that the primary focus was on increasing the FY13 BSA by \$320 to avoid staff reductions, program cuts and detrimental effects on students.

[8:26:45 AM](#)

He noted the improvement made in the state's graduation rate and work readiness in its graduates. He said the multi-year forward funding would greatly assist districts for planning upcoming budgets. He said costs continue to increase, federal funding continues to decrease, student enrollment has declined in some districts and the elimination of \$20 million appropriated in FY12 for higher energy costs.

[8:30:35 AM](#)

MR. HEBERT said he was the superintendent for the St. Mary's school district; 99 percent Native Alaskan population, made AYP nearly every year, 90 percent graduation rate and a recent graduate was attending Stanford University on a scholarship.

[8:31:55 AM](#)

CO-CHAIR MEYER commented that the Senate has made education funding a top priority and the intent is to have funding approved in time to assist districts with their FY13 budget planning. He noted that a \$320 BSA increase was doubtful, but annual increases ranging from \$125 to \$135 over three years was a start.

[8:32:55 AM](#)

SENATOR STEVENS stated that he appreciated the ACSA's documentation to support a \$320 increase in BSA funding, but noted that it was up to the committee to submit a realistic

increase that had a chance to pass. He commended committee members who came forward with a plan to address education funding shortfalls and noted that the focus should be on how SB 171 would help rather than not being enough.

[8:34:47 AM](#)

SIERRA LLOYD, fourth-grade student, Harborview Elementary School, Juneau, said an increase in the BSA would benefit her school by providing more computers and teachers.

[8:36:52 AM](#)

ERIN HEYWOOD, representing herself, Juneau, said her sons were special need students with hemophilia. She said proposed cutbacks would eliminate school nurses who tend to her children.

[8:41:53 AM](#)

LILLIAN WORL, representing herself, Juneau, said the district continues to augment school budgets with donations and fund-raising activities. She said proposed budget cuts would eliminate 66 staff members, reduce school nurses by 60 percent and restrict needed technology upgrades.

[8:46:32 AM](#)

CO-CHAIR MEYER commented that he has always been impressed with parental involvement in Juneau and understands the high travel expenses faced by the district due to attending activities in Southcentral.

[8:47:10 AM](#)

MAUREEN HALL, School Nurse, Juneau School District, said schools face additional challenges due to technology's impact on behavior and rising obesity rates. She said underfunding school budgets does not respond to the increased challenge it takes to educate children in today's culture.

[8:53:34 AM](#)

CO-CHAIR THOMAS commented that "digital distraction" for children would only get worse as the necessity for schools to intervene increases.

MS. HALL said a balanced curriculum approach with physical activity is important for children.

[8:55:01 AM](#)

DR. JOY NEYHART, Pediatrician, Juneau, said school nurses play an important supportive role when caring for children, especially with special needs patients. She said saving money by

replacing school nurses with health aides would put students at risk.

[8:57:09 AM](#)

SENATOR STEVENS asked what the difference was between a school nurse and a health aide.

DR. NEYHART answered that she did not know.

SENATOR STEVENS asked if a health aide would be a certified nurse.

DR. NEYHART answered no. She said a health aide could be an individual with no postsecondary education.

[8:57:46 AM](#)

STEWART MCDONALD, Superintendent, Kodiak, said education spending has not kept up with costs and the result has been continued staff and program cuts. He said dropout rates would increase if core curriculum was not balanced with developmental activities. He said the district was trying to find new ways to educate children with fewer resources.

[9:02:45 AM](#)

PETER HOEPFNER, Cordova School Board Member, Cordova, said an increase in the BSA would help with continually rising expenses. He noted that the district has aggressively worked on conserving energy costs by cutting nearly \$500,000 over the past five years. He said forward-funding would help the district plan for its future. He said continued flat-funding would lead to teacher layoffs and create student performance concerns.

[9:04:29 AM](#)

SENATOR STEVENS commented that the Cordova School District has the 2012 Teacher of the Year and the 2012 Superintendent of the Year, a tribute to their success.

[9:05:11 AM](#)

ANNE KILKENNY, representing herself, Matanuska-Susitna, said the bill should be amended to two years with a BSA increase in FY13 by \$340 and FY14 by \$170. She said federal funding has impacted the district's budget, down from 10 to 12 percent to less than one percent.

[9:09:59 AM](#)

CO-CHAIR MEYER announced he would hold SB 171 in committee for future consideration.

9:10:38 AM

There being no further business to come before the committee, Co-Chair Meyer adjourned the Senate Education Committee at 9:10 a.m.