

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

March 28, 2012

8:07 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

COMMITTEE CALENDAR

PRESENTATION: CENTER FOR ALASKA EDUCATION POLICY RESEARCH
SCHOOL FINANCE STUDY PROPOSAL

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DIANE HIRSHBERG, Associate Professor of Education Policy
University of Alaska Anchorage
Institute of Social and Economic Research
Center for Alaska Education Policy Research
Anchorage, Alaska

POSITION STATEMENT: Presented School Finance Study Proposal.

ALEXANDRA HILL, Senior Research Associate
University of Alaska Anchorage
Institute of Social and Economic Research
Center for Alaska Education Policy Research
Anchorage, Alaska

POSITION STATEMENT: Presented School Finance Study Proposal.

LAWRENCE O. PICUS, PhD.
Lawrence O. Picus and Associates, LLC
Los Angeles, California

POSITION STATEMENT: Presented School Finance Study Proposal.

ACTION NARRATIVE

[8:07:02 AM](#)

CO-CHAIR JOE THOMAS called the Senate Education Standing Committee meeting to order at 8:07 a.m. Present at the call to order were Senators French, Stevens, Davis, Co-Chair Meyer and Co-Chair Thomas.

Center for Alaska Education Policy Research
Proposal for a Study of School Finance in Alaska

[8:07:23 AM](#)

CO-CHAIR THOMAS announced the business before the committee was a presentation from the UAA Center for Alaska Education Policy Research regarding a proposal to study school financing in Alaska in coordination with Dr. Lawrence Picus. The proposed study would try to determine how much Alaska should invest in its schools and it would look at the strengths and weaknesses of the existing system. He identified the presenters and summarized their professional credentials.

[8:10:14 AM](#)

DIANE HIRSHBERG, PhD., Associate Professor of Education Policy, Institute of Social and Economic Research, Center for Alaska Education Policy Research (CAEPR), University of Alaska Anchorage, informed the committee that several years ago CAEPR did a small project attempting to apply Dr. Picus's model in a rural school district. Since then they had talked about how to expand the model across the state. This year seemed to be the right time to propose this research to help the legislature, governor, and state education leadership make more informed choices about funding levels for schools and to inform best practices for distribution of those funds.

The proposed study would have two parts as follows:

1. Estimate how much Alaska should spend to meet the K12 educational needs of its diverse population using an evidence-based school finance model, modified to reflect the state's unique characteristics and work previously done, particularly by Ms. Hill. Experts and key informants in the state will review that initial draft and provide thoughtful feedback. The model would be revised based on that data and taking into account a range of Alaskan issues including salary differentials, energy prices and health

care that vary by district. The result would be estimates of the cost of an adequate education under a range of cost scenarios.

2. Work with experts in the state to identify areas where economies of scale could help small districts be more efficient. CAEPR will have conversations with district fiscal and operations staff and department of education staff to find areas where this is already happening and explore options for more efficient spending in other areas.

DR. HIRSHBERG said CAEPR would then present the model to the commissioner of education, the legislature, and the governor. She said that the study could be done over the summer and be ready to present before the next legislative session.

CO-CHAIR THOMAS asked Ms. Hill if she had anything to add.

8:16:29 AM

ALEXANDRA HILL, Senior Research Associate, Institute of Social and Economic Research, Center for Alaska Education Policy Research (CAEPR), University of Alaska Anchorage, said she was available to answer questions.

CO-CHAIR THOMAS asked Dr. Picus to provide a synopsis of his findings.

8:16:57 AM

LAWRENCE O. PICUS, PhD., Lawrence O. Picus and Associates, LLC, said that for several years his company had worked with a number of states to design school funding systems to allocate resources with a focus on improving student performance. He said he had a general understanding of the Alaska funding formulas but not the specific details.

DR. LAWRENCE said the primary question that the proposed study aimed to answer was if the base foundation amount and the adjustments provide districts adequate resources to put in place a program of studies that would give reasonable assurance that children would be able to learn the material to the state's standards. He said the model thinks hard about how to allocate professional development funds and how to work with individuals in districts to be sure there is an understanding of what each district needs to help children succeed.

8:19:44 AM

CO-CHAIR MEYER asked if this study would be similar to the one that ISER did about 10 years ago, and if she was aware of the

differences of opinion in the legislature this year on education funding.

MS. HILL said the current proposal was very different from the previous study. The earlier school cost study grew out of work done by the American Institute of Research to build the current foundation formula. A former ISER professor contracted to review the study and he identified some issues that reflected a misunderstanding of the Alaska context. ISER subsequently was asked to reevaluate the data that went into the geographic cost differential in the current formula. Dr. Picus's model takes a bigger picture look, asking how much districts should spend and how to make that determination.

[8:24:17 AM](#)

CO-CHAIR MEYER asked about how to measure the result of using the proposed model.

DR. PICUS explained that he looks for studies that used experimental design, educational research that used other study designs, and successful teaching experiences to come to conclusions about programs and ideas that work. The next step is to organize a school to provide those resources, focusing on how to use the people in the school. The number of teachers, additional support personnel, the administrative structure, dollar resources for instructional materials technology, operations, and maintenance all go into the mix to determine the cost for each school in the district. Add the district costs to come up with a total cost for the state.

DR. PICUS said Alaska was unique but in terms of distances and remoteness, it was similar to Wyoming where his company had done a great deal of work. He discussed the work he did previously with Dr. Lawrence and Ms. Hill.

[8:30:50 AM](#)

SENATOR STEVENS asked him to comment on the role of school boards and the issue of combining small school districts in the context of economies of scale.

DR. PICUS said he tries not to study or make recommendations about the structure or organization of school districts. He could show the estimated costs in each of the districts and then it would be a state policy decision about whether to make changes and if any substantial savings would result. Even if districts were consolidated, there would still be the immense issues of distance, geography, and remoteness.

Responding to a further question about economies of scale, he said he was talking about the diseconomies of scale that come with very small organizational structures, and that the model has to adjust for those diseconomies.

[8:36:17 AM](#)

CO-CHAIR THOMAS asked if he uses specific measures of success.

DR. PICUS answered that he looks at the state performance assessment results and at both high and low performing schools. He looks for schools that are improving and scores that are rising, because that is where to find how to allocate resources and be successful. A number of schools in Alaska could probably be used as examples to find the right combination of resources that would work in Alaska schools. In looking at what the state sets as standards, he measures test scores, dropout rates, attendance rates. He acknowledged those are issues in many districts in Alaska.

CO-CHAIR THOMAS commented that CAEPR had its work cut out.

DR. PICUS said he understood that another challenge in Alaska was that many districts in rural areas had substantial teacher turnover issues.

CO-CHAIR THOMAS asked if he had thought about distance education in Alaska. He offered his belief that there were many good teachers throughout Alaska and their classes could be transmitted to areas that couldn't afford a broad range of expertise on site.

[8:41:30 AM](#)

DR. PICUS agreed that technology made it feasible to offer alternatives in small communities, but that for distance education to be successful it was necessary to provide a mechanism to ensure quality assurance. The department of education or some other state agency could vet the programs to ensure that they met the standards that Alaska had established for the particular area of study. He acknowledged that he did not know if all school districts had Internet access, but it could be an issue.

CO-CHAIR THOMAS questioned whether young Alaska students living in remote rural areas would find distance courses relevant if they emphasized different cultural and regional characteristics and used different terminology. For example, a child living in a

small village might not relate to the concept of a city block. He asked Dr. Picus if he had run into that situation in the Lower 48.

DR. PICUS answered no, but that circumstance someone in the classroom would need to translate the concept to something the students understand.

8:46:36 AM

DR. HIRSHBERG added that when the study was finished, CAEPR would have a recommendation about what the funding level should be. It would be a separate conversation to continue with technical assistance and ensure that districts and schools used the money as intended. With regard to the discussion about distance education, she said there were other flexible models such as short-term boarding programs where students could go to hub communities for a few weeks to get an intensive course in chemistry, biology, or physics, for example. She reiterated that the current proposal focused on ways to distribute resources, and it was a separate conversation to look at how the money is actually spent in the districts.

She expressed hope that the study would lead to additional conversations, and noted that the conversations were happening because of the Moore Case settlement. She said that because of the new standards, the timing was right to generate the link between the resources and the innovative programs that would help students achieve.

8:50:10 AM

MS. HILL addressed Senator Steven's question about economies of scale. She explained that the second part of the study wasn't so much about economies of scale by combining districts as eliminating diseconomies of scale. She cited two examples. First was placing one fuel order for three adjacent districts rather than placing three orders. The second was making the state's longitudinal data system available to all small districts to input student data and extract needed reports.

CO-CHAIR THOMAS asked if they were aware of the Finland experiment. That country decided to concentrate on its human resources and make the people of Finland the best educated in the world.

DR. HIRSHBERG said they had not looked at Finland as a model, but they were watching how countries around the world approach education in rural, remote, and indigenous communities.

Referencing earlier questions about engaging local communities and making sure that the education was culturally responsive while preparing students to compete in a global society, she said Greenland was involved in national education reform. That country has a goal that all graduates will speak Inuit, Danish, and English and be able to choose what kind of lifestyle to pursue.

She said the infrastructure in Alaska was getting better because of companies like GCI, AT&T, and ACS. They should be part of the conversation because they were critical in the effort to provide quality distance education opportunities for students in the smallest, most remote schools.

[8:56:24 AM](#)

CO-CHAIR THOMAS asked if the study would look at the physical aspects of buildings.

DR. PICUS said that is an integral part of student learning, but that would not be part of the proposed study.

SENATOR STEVENS asked how distance education fit into the current programs. He said he'd heard many people say it was the answer, but his belief was that students also need the opportunity to have mentors and teachers in front of the class who teach and serve as role models.

DR. HIRSHBERG said it was not a focus of the CAEPR research per se, but the role of distance education versus in person education was an important conversation in the realm of technology in education. A mixture works best, and most K12 schools do not have distance learning without an adult on site. She said she didn't know how schools like LKSD were accommodating student questions about advanced courses that were delivered online, but it did need clarification.

CO-CHAIR THOMAS thanked the presenters.

[9:00:44 AM](#)

Seeing no further business to come before the committee, Co-Chair Thomas adjourned the Senate Education Standing Committee meeting at 9:00 a.m.