

SENATE FINANCE COMMITTEE  
February 15, 2012  
9:02 a.m.

[9:02:58 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Johnny Ellis  
Senator Dennis Egan  
Senator Joe Thomas

MEMBERS ABSENT

Senator Olson  
Senator McGuire

ALSO PRESENT

Diane Barrans, Executive Director, Alaska Commission on Postsecondary Education, Department of Education and Early Development; Darwin Peterson, Staff, Senator Bert Stedman; Michael Hanley, Commissioner, Department of Education and Early Development; David Scott, Staff, Senator Donny Olsen; Loren Peterson, Staff, Senator Donny Olsen; Rosita Worl, President, Sealaska Heritage Institute; Carl Rose, Executive Director, Association of Alaska School Boards; Senator Cathy Giessel; George Brown, Academy of Pediatrics Alaska & All Alaska Pediatric Partnership; Ward Hurlburt, Chief Medical Officer, Department of Health and Social Services, Director, Division of Public Health.

PRESENT VIA TELECONFERENCE

Julie Kitka, Alaska Federation of Natives, Anchorage; Bernadette Alvana-Stimpsle, Kawerak Incorporated, Nome; Mary Sullivan, Coordinator, Alaska Primary Care Association, Anchorage; Rosalyn Singleton, Alaska Native Tribal Health Consortium, Anchorage.

SUMMARY

HB 104(RLS)

ALASKA PERFORMANCE SCHOLARSHIPS

SCS CSHB 104(FIN) was HEARD and HELD in committee for further consideration.

SB 130

ALASKA NATIVE LANGUAGE COUNCIL

SB 130 was HEARD and HELD in committee for further consideration.

SB 144

STATE IMMUNIZATION PROGRAM

SB 144 was HEARD and HELD in committee for further consideration.

#hb104

CS FOR HOUSE BILL NO. 104(RLS)

"An Act renaming the Alaska performance scholarship and relating to the scholarship and tax credits applicable to contributions to the scholarship; relating to AlaskAdvantage education grant funding and to Alaska performance scholarship funding; establishing an account and fund for those purposes; making conforming amendments; and providing for an effective date."

9:04:22 AM

DIANE BARRANS, EXECUTIVE DIRECTOR, ALASKA COMISSION ON POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, gave a presentation titled "HB 104 APS Outcomes Report."(copy on file)

HB 104 APS Outcomes Report:

This first report was produced based on data provided by school districts through EED, by the University of Alaska and by the National Student Clearinghouse. Framing the report are several basic questions--most of which can only be answered in subsequent years. Those questions are: who is eligible and receives the scholarship, what are they doing with it, how well are

they progressing through their programs, and are they becoming contributing members of Alaska's workforce. To provide context for the information in the report, it is important to emphasize that we are at the earliest stage in a process of engaging Alaskans on a critically important topic; the topic is preparing to succeed in postsecondary education and training and the hard work that truly entails. The timing of the scholarship's implementation was such that students had little or no opportunity to factor eligibility for APS into their educational objectives. Given that, I found the data to include both encouraging and sobering results because they reflect the pattern of behavior that exists in our districts today.

Ms. Barrans discussed "Exhibit 1" of the report.

Exhibit 1 (pages 6/7) summarizes the Alaska Performance Scholarship's (APS) eligibility and recipient information based on their school district. As is generally true throughout the report, these numbers contain few surprises - with nearly 40% of the state's high school graduates, the Anchorage SD has the largest number of eligible graduates and the largest number of recipients, with Fairbanks a fairly distant second. At the other extreme, twelve of the state's districts had fewer than 10 graduates and three of those indicate they had no senior graduates. Family Educational Right to Privacy Act (FERPA) protocols warranted the suppression of data for cell sizes below five so the cells containing asterisks should not necessarily be read as zeros. Statewide, 29% of last year's graduates were eligible for the APS, but there are differences across the districts. Ketchikan, Copper River, Sitka, Denali, and Kodiak Island districts each had eligibility rates above 35%, while Petersburg, Unalaska, Skagway and Haines had eligibility rates above 40%. Because this is essentially a current situation analysis, were we to analyze the local demographics we would likely find a correlation between the eligibility rates and communities which either have or lack a college going tradition. This is reflected in locally-set graduation requirements as well as the expectations and attitudes of adult role-models. We consider this to be baseline data against which to compare future years' outcomes as a means of measuring the effects of APS in terms of

increasing educational opportunity and success in every region of the state.

Ms. Barrans discussed the different regions referenced in the APS report on Appendix E and noted that the regions that were referenced in report hereafter approximated the boundaries used by the Department of Labor and Workforce Development for the state's economic regions. Appendix E depicted the different regions of the state.

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Ms. Barrans spoke to "Exhibit 2" of the report.

Exhibit 2 (page 8) presents the data from the first exhibit by regions of the state. This chart is one of the more interesting ones in the report, allowing cross region comparisons using percentages. In exhibit 2, we see that the Southcentral region had the highest percentage of graduates who were academically eligible to receive an APS award - 31.7%, and the Far North region had the lowest - 11.4%. Still, school district results within these regions differed. For example, Nome in the Far North region had an eligibility rate 5 percentage points above the statewide average. However, when we consider the percentage of those students who were eligible who then went on to actually use the scholarship, the Far North and Interior regions are the clear leaders. Nearly one-half of the eligible students in these two areas take advantage of the APS.

Ms. Barrans explained "Exhibit 3" of the report.

The second topic area in the report was the characteristics of APS eligible and recipient students. As shown in Exhibit 3, (page 8) female graduates are slightly more likely to be eligible to receive the APS than are male graduates. However, any gender differences disappear when we consider the likelihood that an eligible student would make use of the scholarship - just over 1/3 of both sexes, when eligible, went on to use the scholarship. However, when we reviewed the graduates' eligibility data by their ethnicity, we saw wider differences in the eligibility rates. On average, 28.8% of all graduates were APS eligible, but nearly 38% of Caucasian

graduates were eligible, compared to 8.3% of Alaska Native and American Indian graduates. Still, similar to the analysis of APS usage by gender, once a student becomes APS eligible, the usage rates are very similar across the various ethnic groups, with about one in three eligible students taking advantage of the scholarship.

Ms. Barrans discussed "Exhibit 6" of the report.

Skipping to Exhibit 6, (page 10) where we analyze the attendance patterns of high school graduates. This exhibit uses data obtained from the National Student Clearinghouse, a repository of data on students attending postsecondary institutions throughout the United States. Of the 8,064 public school graduates in 2011, 30% attended in-state and 17% attended an out-of-state postsecondary institution. However, there's a notable difference in the attendance rates for the APS eligible population versus the ineligible population. 83% of APS eligible students pursued postsecondary education somewhere, while only 33% of the ineligible population did so. There were also notable differences in the attendance patterns of the APS eligible population based on their award level. While there's a larger economic incentive for the higher award level students to stay in state - since the top award amount is twice that of the lowest award amount -- APS eligible students at the top award level are more likely to attend an out-of-state institution, while those at the second and third award levels are more likely to attend in-state. For those interested, the National Student Clearinghouse identifies the states in which these students were attending. Maybe not surprisingly, Washington and Oregon were the two states attracting the largest number of Alaska graduates. A complete list of attendance by states is in Appendix B, on page 25 of the report.

Ms. Barrans explained "Exhibit 9" of the report.

Continuing to the next topic area, where APS recipients are pursuing their postsecondary education, we skip to Exhibit 9 (page 12). Overwhelmingly, it was at one of the University of AK system schools. This table was created with recipients' data as of November 11th. Since then, numbers for the UA system schools

have increased slightly, to 505, 339, and 46 for UAA, UAF and UAS. Since this is only the first year the scholarships have been awarded, we don't have any historical data to compare these results to. However, I think there were some expectations that there would be more postsecondary institutions represented in Exhibit 9. Although it's not broken out in the table, there were only 22 of these students who were using the APS to pursue a certificate, while the majority were pursuing a bachelor's degree.

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Ms. Barrans discussed "Exhibit 10" of the report.

This leads us to the next topic area of how much in APS funds was awarded, and for what types of enrollment? Exhibit 10 (page 13) graphically displays what I just mentioned - the APS recipients were predominantly enrolling in bachelor's degree programs. Also, as displayed in Exhibit 11, they were overwhelmingly enrolled on a full-time basis. When we reviewed the data in Exhibit 6, we saw that the students eligible for the highest level award were the ones least likely to attend in-state and thus be eligible to receive the award. This tendency affected the amount of APS expenditures by award levels.

Ms. Barrans explained "Exhibit 14" of the report.

The next two topic areas, how does the APS affect educational attainment and how it affects workforce success, are areas that are much harder to judge at this time. Workforce data for the class of AY11 is nonexistent, since APS recipients have not had an opportunity to pursue their postsecondary education in order to attain more gainful employment. As for the APS' effect on educational attainment, we have only one semester of postsecondary education data available to analyze, and that data's still preliminary and subject to change. Exhibit 14 (page 15) does capture some of the earliest available information - the information on students' needs for preparatory classes once they enter postsecondary education. Using information from the University of Alaska, a total of 3,631 AY11 Alaska graduates attended UA in the fall semester immediately following their graduation. Of

these, 880 were APS eligible. An analysis of the course taking patterns of the APS eligible population compared to the non-APS eligible population showed some interesting differences. For example, ineligible students were more than twice as likely to take a preparatory class than were APS eligible students, at 64.8% versus 27.4%. In terms of average preparatory hours taken, ineligible students took 2.9 hours compared to 1 hour for the APS eligible students. In addition, eligible students took more total hours as a group, 2.3 hours more than ineligible students. These numbers represent only the hours attempted in the fall semester, and are subject to change. Still, if both groups of students completed their semesters as planned, the average APS eligible student would earn 12.6 credit hours applicable to a degree at the end of their fall semester, while the average ineligible student would have earned only 8.4.

Ms. Barrans addressed "Exhibit 17" of the report.

In the future, additional measures of the scholarship's effects on educational attainment will become available. Examples include the one and two year retention rates for students pursuing a degree, and degree completion rates. Exhibit 17 and 18 (pages 18 and 19) use UA data for the entering classes for AY05 through AY07. It is not specifically APS data but data that we anticipate changing for the better because of the APS, and it provides a benchmark for future analysis. In exhibit 17, we see that for those students attending UA within one year of their high school graduation, approximately 3 out of 10 students do not show up for their second year, and roughly 4 out of 10 do not continue into their third year. This does not mean that these students dropped out - many may have attended UA to earn credit hours and transferred to another school. However, if the APS provides an incentive for students to stay and study in Alaska, we can expect these percentages to go up in future years.

Ms. Barrans explained "Exhibit 18" of the report.

Exhibit 18 (page 19) tracks these same populations of students through AY11, analyzing the percentage of students completing their programs and the average

years to completion. Degree completion rates are generally calculated using 150% of the normal time to degree, meaning allowing a student 6 years to complete a 4 year degree. As seen in the table, the difference in completion rates between the entering class of AY05 is significantly higher than the class of AY07, at 31.6% compared to 14%. While calculating comparable information for APS recipients will take several years, it's expected that these rates will rise if the APS has its intended effects.

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Co-Chair Stedman requested a further explanation of levels 1, 2, and 3 on Exhibit 14. Ms. Barrans responded that college levels 1, 2, and 3 related to GPA and test score criteria. She explained that students in college level 1 met the highest standard for APS eligibility, based on high SAT or ACT scores, as well as the highest GPA. She stated that level 3 represented modest level test scores and a high school GPA of 2.5 or better. She pointed out that the curricular requirements for the scholarship program were being phased in over time and that the requirements at the current time, particularly in math and science, were moderate. She indicated that the requirements would be more rigorous in the future and that the Department of Education and Early Development (DEED) expected to see the preparatory course-taking pattern for APS eligible students to improve over time.

Co-Chair Stedman asked for an explanation of the 23 percent figure in the "total eligible" column. Ms. Barrans responded that 23 percent of APS eligible students needed some math remediation.

Co-Chair Stedman inquired if 8 percent of the top level graduates, roughly 23 percent of the middle group, and 37 percent of the lowest scoring students all needed help with math. He queried what level of math students were expected to be at by the time they entered college. Ms. Barrans responded that the requirement would be a credit-bearing math course and deferred the question to the University of Alaska. She stated that she was unsure what assessment result required that a student take a preparatory math class, but pointed out that studies showed that students often needed a refresher math course before college. She observed that when a student did not take math their senior

year of high school, they often needed a refresher course. She opined that requiring four years of math would eliminate the need for a refresher course.

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Senator Egan expressed concerns that students who qualified for the APS were mostly from larger districts and pointed out that the 28 smaller districts had a very low percentage of qualifying students. He mentioned that the rate of eligible students in Petersburg was 47 percent and was "phenomenal." He wondered how the percentage of qualifying students related to other factors, such as district size. Ms. Barrans replied that rather than using generalities, it was more useful to look at the particulars within school districts. She stated that certain aspects within a particular district needed to be taken into account, such as the graduation requirements, whether or not postsecondary education was a goal, and whether postsecondary education was relevant for families within the area. She offered that in a situation like Petersburg, there was a college going culture that had developed, which permeated the community. She opined that young people and teenagers relied on parents and school leaders as mentors. She indicated that it was unwise to generalize by district size or location.

Senator Egan expressed interest in examining the successful districts in order learn how to apply the successes to other districts. He acknowledged that lifestyles were different in "bush" communities, but stated that students from those areas should have an opportunity and stressed that he did not want to see those students forgotten. Ms. Barrans voiced agreement and furthered that having data "like this" available to policy makers and agencies would enable the state to focus its resources in the areas where there was the greatest ability to benefit. She added that she did not presume that the goals of the program would be fully embraced by every resident in the state.

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Senator Thomas commented on the usefulness of the report's statistics. He observed that out of the total number of students who were eligible for the APS, 30 percent needed a remedial math or English course. He observed that the data might be useful for school districts in examining

curriculum. He mentioned Exhibit 6 and queried how the figures on the first line compared to the national average. He clarified that it appeared that more than half of the Alaskan graduates did not go on to college and wondered how this compared to the national average. Ms. Barrans stated that she believed the national average of students going to college was 48 percent, but that it varied greatly from state to state. She observed that some states had college going rates that were north of 70 percent.

Senator Thomas asked if the number of students going on to college in Alaska was about average when compared to the national level. Ms. Barrans replied in the affirmative, but that Alaska had poor completion rates and was at the bottom in that category.

Senator Thomas mentioned that there had been uncertainty regarding the longevity and funding of the APS the prior year and that it had impacted student applicants, who may have stayed in state otherwise. Ms. Barrans stated that the commission had conducted an e-mail survey, which had elicited over 300 responses. Students commented in the survey that the uncertainty had impacted their decision. She furthered that the funding for the APS was not settled until April of the prior year, at which point many students had already committed to attend a particular institution. She offered that the timing of the funding approval impacted the recipient use rate. She noted that there was a six-year window for the APS and that it was anticipated that some students would transfer back into the system.

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Co-Chair Stedman observed that there were asterisks in Exhibit 1 and pointed to a footnote, which stated, "Information cannot be disclosed without potentially releasing personally identifiable information." He inquired if an executive session was needed to look at the asterisks and queried if they represented zeros. Ms. Barrans responded that the asterisks were not all zeros and that if you summed all the numbers on the chart, there were missing figures. For instance, in the "APS recipient" totals, there were 46 recipients that were spread across the asterisk column. She stated that she could not advise the committee on what protocols to use to "drill down" into those numbers further because she was not an expert on the Family Educational Rights and Privacy Act (FERPA).

Co-Chair Stedman stated that he wanted to be sure that schools that had asterisks attached to them were not forgotten.

Co-Chair Stedman discussed Mt. Edgecumbe High School in Exhibit 1 and stated that it had only 13 eligible students out of 74 graduates. He offered that an 18 percent eligibility rate seemed low and queried if the system precluded some students from being eligible for the APS because of a high concentration of high-achieving students. Ms. Barrans responded that there should not be a barrier that would preclude students and that a student would be eligible if they took the right course offerings, met the grade requirements, and achieved the test scores.

Ms. Barrans stated that the first year of data did not tell the commission which of the components of the program a student had failed to satisfy. In the next year of reporting, schools had been asked to provide the underlying data, such as whether a student met the standards for curriculum, GPA, and test scores. She offered that the second year of data would enable an investigation of the underlying causes for ineligibility. The data on where students had gaps could be used as a feedback loop to state agencies.

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Co-Chair Stedman observed that although the mount Mt. Edgecumbe and Sitka high schools were essentially in the same community, Sitka seemed to have a much higher rate of eligible students. He pointed out that 38 percent of Sitka's 98 students were eligible, while only 18 percent of Mt. Edgecumbe's 74 students were eligible. He stated that he suspected something was wrong with the numerics or the system itself. He explained that the public had a desire to attend Mt. Edgecumbe and that it had an extremely high perceived level of high school education. He offered that he would expect Mt. Edgecumbe to rank very high on a list that ranked high schools by what colleges its graduates attended. He reiterated that only 18 percent of Mt. Edgecumbe's students had qualified for the APS and noted that none of them received the scholarship. He requested that Ms. Barrans look into the disparity of eligibility in the different districts and make direct comparisons between Mt. Edgecumbe, Sitka, and Petersburg. He concluded that the

quality of the education at Mt. Edgecumbe was not reflected in the numbers. Ms. Barrans responded that analysis on these topics was exactly what was needed. She added that data would go back to the districts and that it would generate a serious conversation. She mentioned that the commission was also engaged in contracting the National Student Clearinghouse to provide information to each district in the state about where its students were going to college and how many were doing so.

Co-Chair Stedman requested a comparative analysis of how many students from Sitka, Petersburg, and Mt. Edgecumbe went on to college. He suspected that Mt. Edgecumbe would be at the top of the list, if the criteria were the percentage of students who attended college. Ms. Barrans replied that she was unsure if the requested data was currently available at the district level, but that she would be happy to include it if it was.

Co-Chair Stedman commented that phoning a district's superintendent would probably be a good way to get the information.

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Co-Chair Hoffman queried why there was such a large variance among the different school districts regarding how many students were eligible and how many received the scholarship. He pointed out that in Valdez, over 50 percent of the 13 eligible students received the scholarship, while other districts that were eligible did not receive any scholarships. Ms. Barrans indicated that in order to receive the scholarship, a student would have to enroll in a school in Alaska. A large percentage of students were eligible for the scholarship, but had elected to enroll in institutions outside of the state.

Co-Chair Hoffman asked if Ms. Barrans could back up her assertion regarding low recipient numbers with data. Ms. Barrans replied in the affirmative and that there was data in the report that depicted the rate at which students went to college outside of the state. She explained that 83 percent of the APS eligible students enrolled in school "somewhere," while only 39 percent of those students enrolled in Alaska.

Co-Chair Hoffman inquired how much effort was being made to inform students about the availability of the program and queried if the effort was being conducted in a fair manner throughout the state. Ms. Barrans responded that some schools had been more aggressive in pushing the information that DEED and the commission had provided. In addition to relying on schools to distribute information about the program, the commission had used the PFD database to send direct mailings into the homes of students. She shared that once the information had gotten to a student, there was no real way of assessing its impact. She stated that one of the commission's challenges was to make the APS a "kitchen table topic" in Alaskan homes. She related that the commission had not sought funding for a marketing campaign for the APS, but that it had been doing public service announcements in addition to the mailings.

Co-Chair Hoffman queried if the success of the APS was left up to the school districts more than it was to the state. Ms. Barrans replied that she would not characterize it that way.

Co-Chair Hoffman pointed out that the APS was a state program and that it seemed like it was the state's responsibility to contact students directly. He offered that the program would potentially have a higher success rate, particularly in the smaller school districts, if the state took a more active role. Ms. Barrans responded that the commission had outreach staff in Anchorage who visited every school district every other year. The outreach staff held seminars and sessions and the parents were invited to attend. She shared that some communities had a very high turnout for outreach events, while other communities had a smaller response. She stated that the commission was using multiple modes of outreach such as webinars and teleconferences and furthered that the commission had reallocated staff to serve in an outreach capacity.

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Co-Chair Stedman stated that some districts, such as Hydaburg or Hoonah, had very few students and that he understood the asterisks were necessary due to the small headcount. He pointed out that there were 106 students in the Bering Strait/Far North district and 78 students in the Northwest Arctic/Far North district, and stated that the number of students in those districts seemed too high to

justify asterisks on eligibility. He pointed out that Mt. Edgecumbe High School, with 74 students, had four less students than the Northwest Arctic district, but that it did not have asterisks associated with it and was reported. He requested an explanation of the discrepancy in the disclosure between districts. Ms. Barrans responded that an asterisk indicated a number of eligible students between zero and four. Co-Chair Stedman inquired if the asterisks should be based on how many students were in the district. He stated, for instance, that if there were only four eligible graduates from the Bering Straits out of 106 students, the committee should be privy to that information. He observed that figuring out who five students were out of 106 was considerably more difficult than determining who one or two students were out of five, as would be the case in an area like Hydaburg. Ms. Barrans stated that the researcher who had drafted the report had requested guidance from the FERPA main office, but that he was not led in a direction that made him feel comfortable including some of the smaller numbers. She added that the suppression did not make much sense to her either.

Co-Chair Stedman continued that given that the Bering Strait/Far North district had 106 students, he didn't understand how the report justified not disclosing it, unless it did not disclose any school systems with 106 students or less. He added that Petersburg had 53 students and that it was disclosed. He stated that the asterisks represented data that the committee needed to know. Ms. Barrans voiced her agreement and stated that she was unclear as to why the FERPA protocols required suppression in the mentioned cases. She indicated that she would attempt to find an explanation that clarified the issue for the committee.

Co-Chair Stedman inquired if the asterisks represented a number from zero to five. Ms. Barrans responded that the asterisks represented a number between zero and four.

Co-Chair Stedman stated that if an asterisk could mean a zero, then in a district the like Bering Strait/Far North, it was just as likely that none of the 106 students qualified as it was that four did. He stated that he found this prospect "alarming."

Co-Chair Stedman expressed that the committee would like all the districts to benefit from the APS. He requested

that Ms. Barrans look into the particulars of the undisclosed districts and get back to the committee, as well as obtain a written response from "whoever is trying to control that information."

[9:51:23 AM](#)

Senator Egan observed that the report's information regarding some of the districts was not very concise. He noted that there were 28 districts that had fewer than five eligible graduates and that out of those districts, there were 542 graduates, only 29 of which were eligible for the APS. He concluded that the number of eligible students in these districts only represented about 5 percent of the total and that only 11 students actually received the scholarship in those 28 districts.

Senator Egan inquired if there was a breakdown of needs-based versus merit-based regarding where grant funding had gone and the number of students that applied for the scholarship. Ms. Barrans replied that she would come back to the committee with a response.

Co-Chair Stedman inquired if asterisks that represented a zero could be disclosed to the committee. Ms. Barrans replied that she would look into the matter.

Co-Chair Stedman reiterated that the committee would like something in writing from whoever was controlling the information. Ms. Barrans responded in the affirmative.

[9:53:39 AM](#)

AT EASE

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RECONVENED

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Senator Ellis MOVED to ADOPT the proposed committee substitute for HB 104(RLS), Work Draft 27-GH1893/R (Mischel 2/10/12) as a working document.

Co-Chair Stedman OBJECTED for purpose of discussion.

DARWIN PETERSON, STAFF, SENATOR BERT STEDMAN, spoke to the changes in the work draft, version R. He stated that the

committee substitute amended subsection 3, on page 3, line 8. He explained that in the previous version, eligibility for a performance scholarship was based on a student's completion of a core academic curriculum "in high school," but that the change allowed a student to complete a core academic curriculum of "high school level course work." He related that the reasoning behind the change was to make advanced high school courses that were taken in the 8th grade apply towards the scholarship. He shared that in subsection 8, there was also exemption to the core academic curriculum; it provided a waiver of any portion of the core academic curriculum that was not made available in the student's school district. Subsection D, on page 4, was also included in the bill in order to allow a mechanism for students who obtained a General Education Development Diploma (GED). He stated that on page 4, Section 6, language was added whereby a student who scored in the 90th percentile on the GED would be eligible for the highest scholarship award. He continued that scores in the 80th percentile would result in a second tier award and the 70th percentile score would result in the third tier award. On page 5, line 7, the words "or national" were inserted so that qualified institutions in the state could be accredited by either a regional or national accreditation association. At the bottom of page 5, Section 10, two subaccounts, the AlaskAdvantage Education Grant Account and the Alaska Performance Scholarship Award Account, were created. He explained that money would be deposited into the two accounts from the Alaska Higher Education Investment Fund. He stated that the Alaska Higher Education Investment Fund was a new fund where the \$400 million, which had been appropriated the prior year and was being housed at the Alaska Housing Finance Corporation, would be deposited. He noted that depositing the \$400 million into the fund would require another appropriation because the original appropriation had been for scholarships only and with the addition of grants, further action was required. Section C, line 10 and Section D, line 21 were both new. Section C, on page 6, represented the one-third/two-thirds split concept, whereby one-third of the amount available each year from the Alaska Higher Education Investment Fund would be made available for the AlaskAdvantage Grants and two-thirds would go towards the APS; the section also stated that if there was an insufficient number of eligible applicants for the APS pool of funds, the remaining balance would be allocated to the AlaskAdvantage Grant account. Section D created a mechanism for reserving a proportional

amount of funds for students in a school district with an average daily membership of less than 800; this amount would be calculated by taking the statewide percentage of students in a school district with 800 students or less. He offered a hypothetical example that if 25 percent of Alaska's students were in districts with 800 or less students, then 25 percent of the funds available from the Alaska Higher Education Investment Fund would be set aside for those students; subsection E specified that if an insufficient number of the proportionally funded students were eligible, the remaining funds would be re-deposited into the Alaska Higher Education Investment fund. Section 12, on page 7 created the Alaska Higher Education Investment Fund; subsection C established the payout method from the fund into the two sub-accounts. Annually, ten percent of the amount available in the higher education fund would be made available for appropriation into the sub-accounts; one-third of that amount would go into the grant account and two-thirds into the APS account.

Mr. Peterson stated that the legislation's one-third/two-thirds payout method needed to be revisited and related that the split language was added because the previous version of the bill had established a payout method at one-third the total value of the fund or \$40 million, whichever was less. He mentioned that \$40 million was ten percent of the \$400 million that had been appropriated the prior year. He pointed out that \$40 million was a higher payout than the fund's rate of return would be and reiterated that the payout method needed to be changed. Sections 13 through 24 added the Alaska Higher Education Investment Fund as an eligible recipient for all statutory tax credits that were allowed for contributions to education. Sections 29 and 30, on page 16, had new effective dates. Section 29 established a delayed effective date of July 1, 2013 for Section 8 of the bill. He explained that Section 8 described the conditions that a postsecondary institute must meet in order to receive scholarship funds; requirements included an advisory program for incoming students and offering courses that would result in the issuance of a degree in a timely manner. Section 30 established an effective date of January 1, 2021 that applied to all the second referenced tax credit provisions in Sections 13 through 24; this effective date was a result of prior legislation and would allow contributions to the fund to continue in perpetuity.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO FURTHER OBJECTION, the proposed committee substitute for HB 104(RLS), Work Draft 27-GH1893/R (Mischel, 2/10/12) was Adopted.

Co-Chair Stedman discussed the fiscal notes in the members' packets and related that the notes would be updated to reflect the changes in the new committee substitute.

[10:01:57 AM](#)

Co-Chair Stedman asked if Ms. Barrans had any feedback regarding areas of the bill that needed further consideration. Ms. Barrans stated that Commissioner Hanley was present to address DEED's concerns, which primarily dealt with K-12. She warned that there were concerns with the bill's proposed changes on page 3, Section 5; this section had a provision which essentially created a "loophole" for districts to not have to make available the curriculum that students would otherwise need to take in order to qualify for the APS. She mentioned that the remediation rates of Alaskan scholars were very high and that there were concerns regarding a loophole in that regard. She pointed out that the State Board of Education had created a "safety net" for students who, through no fault of their own, were unable to take the necessary curriculum; the safety net allowed a student to take the necessary classes the year after they graduated and still be eligible for the scholarship during the current year. She offered that the safety net would sunset in the current regulations in 2012.

MICHAEL HANLEY, COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, addressed the department's concerns regarding Section 5, page 3 of the bill and indicated that particularly in small schools, some programs may not be able to offer the curriculum required to access the scholarship. He stated that the safety net was added to address concerns regarding course availability and that its current sunset was in 2012. He added that the sunset date could be extended if the legislature thought it was important to do so. He noted that the department had found it more appropriate to continue to encourage districts to offer the curriculum that students would require rather than providing a loophole, which removed the incentive to offer the proper curriculum. He concluded that the department felt there was a safety net in place currently.

Ms. Barrans explained that Section 6 of the bill inserted a GED alternative that was concerning to the department and related that one of the fundamental objectives of the APS program was to incentivize students to make good decisions early in life. She warned that creating a GED option would allow students to avoid the rigorous curricular requirements of the APS. She pointed out that the department was aware of the legitimate concerns of students who chose not to complete high school; however, there was already an avenue for GEDs, as they were accepted through the Education Grant Program. She mentioned that Wyoming had incorporated a GED alternative in its program and that it had shown that not only do very few students qualify under the GED route, but that the few who did qualify failed at very high rates. She stated that during the prior year in Wyoming, fewer than 30 students had qualified for the scholarship through the GED pathway and that by the end of the first year, 21 of those students were no longer eligible to receive financial aid. She related that by adding the GED as viable pathway in statute, the state was essentially telling young people that the GED was an ok alternative. She offered that a GED clearly put a student at a disadvantage when he or she moved forward with their student career. She concluded that the GED was a viable pathway, but that it should not be incorporated into a performance scholarship structure.

[10:07:17 AM](#)

Ms. Barrans discussed page 5, Section 10 of the bill. She stated that the department was supportive of the separate sub-accounts, but that there was an issue regarding the structure of the one-third/two-thirds split. She pointed out that what had been discussed the prior year was that the grant program would be funded at one-third the level of the scholarship program, but that the legislation had set the funding at a one-third/two-thirds split of the account value. In order to fully fund the APS program, substantially more money was being spent and would be needed. She furthered that the scholarship program would require general fund support and that the Higher Education Investment Fund was not large enough to sustain both programs, given the current proportion of the funding split.

Co-Chair Hoffman inquired how much additional funding, beyond the \$400 million, would be required to make the Alaska Higher Education Investment Fund sustainable under the current terms of the bill. Ms. Barrans responded that she had not performed any calculations and deferred the question to the Department of Revenue.

Co-Chair Hoffman queried if providing additional funds would alleviate the concerns regarding the split of funding. Ms. Barrans replied that she was unable to speak for the administration regarding its support of increasing capital to the fund.

Co-Chair Stedman indicated that the committee would work on the allocation issue. He mentioned that the fund's maximum payout was at 10 percent and that it was way too high. He stated that if appropriations to the fund were inadequate, the general fund would need to cover the difference.

Ms. Barrans stated that the bill also had a provision for a reserve of funds and related that the department wanted to fund the programs at a level that would make a reserve of funds unnecessary. She shared that there were some technical issues regarding "essentially having to create a program within a program that would prioritize funding for students from particular districts. We would need to be able to track those students. As you know, they have six years within which to use this." She mentioned that the new committee substitute's proposed preferential treatment for some students added a complication that the current program structure did not contemplate. She stated that it was even more complicated for the grant program. ["It" was made in reference to the preferential treatment of fund dispersal.] She stated that the department did not track the high school that students came from for the grant program. The average age of grant recipients was in the late-20s. She related that she was unsure what bearing a student's high school would have on eligibility, given that the grant program was needs-based. She shared that preferential treatment for particular school districts was not something that was built into the grant structure. She stated that the grant program had applicants every year and that the department ranked the students from the greatest need to the least need; money was then allocated until it was exhausted. She offered that how the department would treat a student who was towards the bottom of the list if the student had earlier graduated from a high school in one the

qualifying districts was problematic. She concluded that whether a student from a qualifying district would have preferential treatment over a student with the greatest need represented a complication that would need to be resolved.

Co-Chair Stedman stated that the computer programmers could probably track the students if the state so desired. Ms. Barrans responded that with enough time and money, it could be done.

Co-Chair Stedman asked if the Department of Education and Early Development had any other concerns regarding the new committee substitute. Commissioner Hanley reiterated that on page 3, he would like the words "courses taken in high school" to be changed to "high school courses." He shared that he had a significant amount of discussion with different districts, many of which offered middle school students that were ready the option to pursue high school level courses and move forward. He offered that many of the districts, particularly smaller ones, were supportive of the language change. He pointed out that it was important to consider the possible downside with offering courses too early. He mentioned that typically, a student's level of success at the university level could be how much math a student had taken in the last two years and not how much he or she had taken total; a downside could be if students took all their math early on, they may need a refresher course before they entered college. He concluded that the positive side of the language change would be that it would incentivize kids to push themselves earlier on and take the necessary courses.

Co-Chair Stedman requested that Ms. Barrans ask whoever was suppressing the asterisked information if it was possible to lump the smaller schools together in the report ",so there might be six or seven, or some number of schools combined together" in order to get a feel for the group in general. He stated that he would like to examine the small schools in aggregate because he had difficulty with being unable to have access to information that was needed for the committee to fulfill its obligation. Ms. Barrans voiced her agreement. She responded that she could look at different ways of aggregating the districts and would be able to answer the question for the committee.

[10:14:48 AM](#)

SCSCS HB 104(FIN) was HEARD and HELD in committee for further consideration.

#sb130

SENATE BILL NO. 130

"An Act establishing in the Office of the Governor an advisory council for the preservation, restoration, and revitalization of Alaska Native languages."

10:15:36 AM

DAVID SCOTT, STAFF, SENATOR DONNY OLSEN, gave a brief sponsor statement. He conveyed that the bill sponsor was unable to be present; however, the sponsor wanted the committee to know that Alaska Native languages were dying. He furthered that Alaskans were aware that their Native languages were dying and that they feared this occurring.

LOREN PETERSON, STAFF, SENATOR DONNY OLSEN, introduced SB 130.

Good Morning members of the Senate Finance Committee. For the record, I'm Loren Peterson, staff to Senator Donald Olson. Last year, Senator Olson's office received a resolution from the NWAB supporting the formation of an Alaska Native Languages Commission at the state level. The original resolution is part of the packets in front of you. It is felt throughout the indigenous tribes statewide that Alaska Native Languages (ANL's) are threatened by extinction. The intent of SB 130 is to preserve, maintain, and restore ANL's. Indigenous languages are the most critical components in terms of preservation of cultural identity. The most recent case regarding the disappearing of native languages is the the Eyak tribe that lost its last native fluent speaker, Chief Marie Smith Jones, who passed away in January of 2008. An article on this unfortunate loss is also provided for you in your packets. Now, more than ever, is it imperative that steps be initiated at the state level to support ongoing effective language restoration efforts statewide. SB 130 supports efforts to preserve ANL's and would establish an Alaska Native Language & Advisory Council. This council will then assess statewide language policy and programs, with a mission

to seek the most cost effective programs in communities where preservation is most critical. Mr. Chairman, We have 3 language and cultural experts either here or online to testify.

Dr. Rosita Worl: Sea Alaska (in person)  
Julie Kitka: President of AFN  
Bernadette Alvanna-Stimpfle: Kawerak Eskimo Heritage Program Director

Also Available for Question & Answer:  
Dr. Rosita Worl: Vice Chair of Sea Alaska Corp & Pres. of Sea Alaska Heritage  
Scott Ruby: Director of Division of CRA

Mr. Chairman and members of the committee, this concludes my presentation. Thank you and more appropriately, Quayana, for your time and consideration for the passage of this very important piece of legislation.

10:19:40 AM

JULIE KITKA, ALASKA FEDERATION OF NATIVES, ANCHORAGE (via teleconference), expressed the Alaska Federation of Natives' (AFN) support of SB 130. She stated that the AFN felt that the legislation was something that was long overdue in Alaska and that it was important for cultural survival. She furthered that the revitalization of Native languages would benefit young Alaskan Natives. She noted that the AFN wanted the committee to be aware that SB 130 was in line with the U.N. Declaration on the Rights of Indigenous Peoples, which the United States announced support for in December of 2010. She furthered that the U.N. declaration contained a number of articles that supported language restoration and revitalization. She stated that the AFN would like the legislation to include a provision to allow pilot demonstration projects in the different cultural areas in order to advance revitalization efforts in a quicker fashion.

10:23:01 AM

ROSITA WORL, PRESIDENT, SEALASKA HERITAGE INSTITUTE, spoke in support of SB 130. She gave a brief statement in Tlingit and shared her Tlingit names, as well as her personal clan,

moiety, and house heritage with the committee. She stated that Tlingit names embodied social identities, cultural values, established a bond with ancestors and a responsibility for future generations; furthermore, these things were not taught in school. She offered that it had taken her years to try and reconcile the conflicts that Native children had growing up in a non-Native world. She opined that the legislation would go a long ways towards reducing the kinds of conflicts that Alaskan Native children endure. She stated that the bill was a significant step by the state towards acknowledging cultural and linguistic diversity and that it sent a strong message to the world that Alaska valued linguistics diversity. She furthered that the bill also sent a message to Native peoples that Native languages were not inferior or evil. She pointed out that the bill had been originally brought to the AFN as a resolution by a young man named Tim Argetsinger and related that she wanted to recognize his efforts. She stated that linguistic diversity was a rich resource of this state that was often undervalued. She offered that integrating Native language and culture into schools improved academic achievement. She discussed studies that were conducted by Bill Demmert, which showed that integrating Native language and culture in education systems improved academic achievement. She shared that there was a study being conducted in the Juneau schools, in which the Tlingit language had been integrated in the Harborview School. She related that the heritage institute was conducting a longitudinal study of the Harborview students who were about to graduate, but that the institute was confident that the studies would show that integrating Native language into the school had improved academic achievement. She shared that poor academic achievement resulted in social and fiscal costs and stated that language integration gave people positive self-identity, which could lead to improved academic achievement. She pointed out that there was a difference between language studies and language restoration and stated that there were questions regarding if the council would replicate the work of the Alaska Native Language Center. She related that the Alaska Native Language Center had been in existence for 40 years and that it had done a great job in terms of documentation; however, the center's efforts in language restoration had not been as successful as its documentation efforts. She noted that the heritage institute's linguists had indicated that learning different languages stimulated brain activity. She continued that another benefit of

integrating languages into schools was place-based education and offered that learning was enhanced for students who were able to learn about their own environment. She stressed that although Sealaska supported the restoration of Native languages, its programs were also designed to stimulate critical thinking, as well as to advance knowledge and science.

[10:33:32 AM](#)

BERNADETTE ALVANA-STIMPSLE, KAWERAK INCORPORATED, NOME (via teleconference), expressed support of SB 130. She gave a brief statement in her Native language and shared that she had not learned English until she had attended school at age five. She offered that SB 130 would encourage Native peoples to continue to think in their own, first language. She mentioned that she was the Co-Chair of the Alaska Native Education Association, which was a statewide organization of Native educators and stated that the association fully supported the bill. She stated that the Native language council was needed at the statewide level for assessing the state's native languages and admitted that although she had heard a number of fluent Native speakers, she had not seen a formal survey for five years or more. She related that formal surveys were needed in order to determine which of the Alaska Native languages were still spoken fluently and which ones were in the most critical state as a dying language. She pointed out that one of the projects she had undertaken as the Eskimo Heritage Program Director was the revitalization of the Fish River Inupiat dialect; there were only about four fluent speakers of the Fish River dialect within four communities in the region. She shared that forming the advisory council would enable the communities to establish new programs and projects for a Native language revitalization movement. According to the 2007 Alaska Native Language Population and Speaker Statistics, only 22 percent spoke a Native language fluently.[The comment was made in respect to the percentage of Alaskan Natives that were fluent in a Native language.] She shared that Alaska Natives were losing their cultural foundation and identity, but that through the legislation, the state was acknowledging that Alaska Native languages were needed in the communities and villages. She concluded that Kawerak Incorporated and the Alaska Native Language Education Association fully supported the passage of SB 130.

[10:37:13 AM](#)

CARL ROSE, EXECUTIVE DIRECTOR, ASSOCIATION OF ALASKA SCHOOL BOARDS, expressed the association's support of the committee substitute for SB 130. He related that the association was resolved in support of Alaska's Native languages and culture being addressed in the schools. He stated that the indigenous languages in Alaska were the cultural base for Alaska's first peoples. He shared a quote from John Atchak, who was from the Kashunamiut school district in Chevak, Alaska; the quote stated, "Our Language tells you who we are and where we are from."

[10:38:13 AM](#)

SB 130 was HEARD and HELD in committee for further consideration.

#sb144

SENATE BILL NO. 144

"An Act temporarily reinstating the child and adult immunization program in the Department of Health and Social Services; and providing for an effective date."

SENATOR CATHY GIESSEL presented SB 144 and stated that the legislation would restore funding for the state's vaccine program and benefit every single Alaskan. She related a story about George Washington and the history of vaccination. She observed that although the older generation of Americans had all received a small pox immunization, children in America were not currently receiving that vaccination because the vaccine had eliminated that disease from the world. She stated that vaccine had a significant impact and discussed a 1925 incident in Nome that was referred to as "the great race of mercy." In 1925, diphtheria was sweeping through Nome, which only had one physician and four nurses. The physician in Nome at the time sent word out that the anti-toxin for diphtheria was needed; the only way to get the anti-toxin to Nome was via dog sled. She observed that the Iditarod Race celebrated the great race of mercy and noted that the anti-toxin had saved lives in the community of Nome. She discussed the symptoms of diphtheria and how it used to be treated. The diphtheria vaccination was combined with several other immunizations in the same vaccine, which also contained tetanus, also known as "lock jaw", and pertussis,

otherwise known as "whooping cough." She discussed a 2009 outbreak of whooping cough in Juneau and related that it was a serious disease, particularly for young children because it impaired their ability to breathe. She shared that because of vaccine, whooping cough was able to be controlled and related that vaccines had nearly eliminated polio from the world. She stated that the late Senator, Ted Stevens, had secured funding for a universal vaccine program in Alaska that would provide vaccination for children and adults. She shared that there were two sources of funding for vaccines in Alaska; one source was for children's vaccines and was a secured source. She pointed out that other source of funding was from Section 317 of U.S. Public Health Code, but that this funding source was not secure and had been significantly decreased. The Section 317 funding used to equal \$4.3 million, but Alaska would only receive \$700,000 in the upcoming fiscal year. She related that the governor had already included \$700,000 in his budget and that SB 144 would provide an additional \$2.9 million.

[10:46:13 AM](#)

Senator Ellis indicated that he had been contacted by a number of individuals regarding SB 144. He stated that people seemed to generally support the bill, but had questions as to why the program did not include the HPV and meningococcal meningitis vaccines. He mentioned that both vaccines were recommended for teenage boys and girls. Senator Giessel responded that her focus was to craft a bill that addressed the required vaccines for children who were entering school, as well as diseases that adults carry that are deadly or contagious to children. She stated that the Section 317 funding had been decreasing and that the cost-benefit ratio was lower on the HPV and meningococcal meningitis vaccines; the Division of Public Health had examined the cost-benefit ratio of different vaccines and had eliminated those two vaccines first, when the funding had begun to fall. She concluded that the bill's funding was "seriously" needed and that she had crafted legislation that was very likely to pass.

Senator Ellis inquired if the exclusion of the HPV and meningococcal meningitis vaccines was purely based on funding or whether it was a political decision regarding HPV. Senator Giessel responded that the bill gave the power to add additional vaccines, should funding become

available, to the commissioner of the Department of Health and Social Services.

Co-Chair Stedman discussed a fiscal note from the Department of Health and Social Services in the amount of \$2.9 million in general fund cost for the next three fiscal years.

MARY SULLIVAN, COORDINATOR, ALASKA PRIMARY CARE ASSOCIATION, ANCHORAGE (via teleconference), expressed the association's strong support of SB 144, as well its companion bill in the House of Representatives. She stated that the association represented Alaska's community health centers, which served uninsured and underinsured individuals across the state. She related that one of the association's smaller clinics in Talkeetna would be in zero compliance with immunizations due to a lack of funding. She related that neither the association nor its providers had expressed a problem with the legislation's exclusion of the HPV and meningococcal meningitis vaccines.

[10:52:23 AM](#)

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[10:52:29 AM](#)

RECONVENED

ROSALYN SINGLETON, ALASKA NATIVE TRIBAL HEALTH CONSORTIUM, ANCHORAGE (via teleconference), testified in support of SB 144. She related that when she had started as a pediatrician in Alaska, more than 40 infants per year were hospitalized with hib meningitis; some of the infants died, while 30 percent were left with permanent brain damage or deafness. She shared that before vaccines, Alaska also had large epidemics of hepatitis A, but that an effective vaccine had been licensed and had nearly eliminated hepatitis A from Alaska. She shared that there had been no outbreaks of hepatitis A since the release of the vaccine in 1995 and that there had been a significant amount of money saved as a result. She mentioned that measles had been under control in Alaska since 1998. She offered that the legislation was a "stop-gap" effort to increase access to vaccines and that if the bill did not pass, the state immunization program would be unable to provide any vaccines to children outside of the federally funded vaccines for the uninsured, Medicaid users, and Alaska Native children. She concluded that when faced with the

high cost of vaccines, many medical practices were not providing vaccines at all and that many parents were deferring vaccines until it was required for school; these factors represented an increased risk to Alaska's public health.

GEORGE BROWN, ACADEMY OF PEDIATRICS ALASKA & ALL ALASKA PEDIATRIC PARTNERSHIP, spoke in support of SB 144. He stated that Washington and New Hampshire had programs in which pharmacists, the makers of vaccines, insurance companies, and the legislated public funds for vaccines were in one program that provided universal vaccines. He offered that vaccines clearly helped to contain the costs of healthcare.

[10:57:21 AM](#)

WARD HURLBURT, CHIEF MEDICAL OFFICER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, DIRECTOR, DIVISION OF PUBLIC HEALTH, testified in support of SB 144. He related that when he had started practicing in Alaska in 1961, 25 out of every 1,000 children who were born died from "these diseases," but that currently, only seven children out of every 1,000 born died per year from all the causes of death combined. ["These diseases" was made in reference to diseases that are preventable through vaccines.] He shared that 37 states put state money towards buying vaccines and stated that immunization was both an individual and a public issue. He observed that immunizing a person protected that individual from a disease, but that "herd immunity," which protected others, took place when there was sufficient immunization within a population. He discussed an outbreak of whooping cough in California, which had infected over 2,000 children and killed ten infants. He stated that the vaccines in the bill were selected with fiscal prudence and public health in mind. He pointed out that "quality adjusted life-year" was a term that referred to the cost of saving a year of a person's life and that the immunizations that were covered by the legislation were those that cost \$25,000 or less per year; the vaccinations that were not selected in the legislation were those that cost \$50,000 per year or more.

Mr. Rose expressed the Association of Alaska School Boards' support of SB 144.

[11:00:05 AM](#)

SB 144 was HEARD and HELD in committee for further consideration.

Co-Chair Stedman discussed the following meeting's agenda.

#

ADJOURNMENT

[11:00:14 AM](#)

The meeting was adjourned at 11:00 AM.