

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

February 28, 2014
8:06 a.m.

MEMBERS PRESENT

Representative Lynn Gattis, Chair
Representative Gabrielle LeDoux
Representative Paul Seaton
Representative Peggy Wilson
Representative Sam Kito III (Alternate)

MEMBERS ABSENT

Representative Lora Reinbold, Vice Chair
Representative Dan Saddler
Representative Harriet Drummond

COMMITTEE CALENDAR

HOUSE BILL NO. 278

"An Act increasing the base student allocation used in the formula for state funding of public education; repealing the secondary student competency examination and related requirements; relating to high school course credit earned through assessment; relating to a college and career readiness assessment for secondary students; relating to charter school application appeals and program budgets; relating to residential school applications; increasing the stipend for boarding school students; extending unemployment contributions for the Alaska technical and vocational education program; relating to earning high school credit for completion of vocational education courses offered by institutions receiving technical and vocational education program funding; relating to education tax credits; making conforming amendments; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 278

SHORT TITLE: EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/24/14	(H)	READ THE FIRST TIME - REFERRALS
01/24/14	(H)	EDC, FIN
02/03/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/03/14	(H)	Heard & Held
02/03/14	(H)	MINUTE(EDC)
02/07/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/07/14	(H)	Heard & Held
02/07/14	(H)	MINUTE(EDC)
02/10/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/10/14	(H)	Heard & Held
02/10/14	(H)	MINUTE(EDC)
02/14/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/14/14	(H)	Heard & Held
02/14/14	(H)	MINUTE(EDC)
02/17/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/17/14	(H)	Heard & Held
02/17/14	(H)	MINUTE(EDC)
02/24/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/24/14	(H)	Scheduled But Not Heard
02/26/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/26/14	(H)	Heard & Held
02/26/14	(H)	MINUTE(EDC)
02/28/14	(H)	EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

MIKE HANLEY, Commissioner
 Department of Education and Early Development
 Juneau, Alaska

POSITION STATEMENT: In response to the House Education Standing Committee's request, presented the framework for school transportation within the context of HB 278, and answered questions.

DEENA PARAMO, Superintendent
 Matanuska-Susitna Borough School District
 Palmer, Alaska

POSITION STATEMENT: Testified during the hearing on HB 278.

DAVE JONES, Assistant Superintendent
 Kenai Peninsula Borough School District
 Soldotna, Alaska

POSITION STATEMENT: Testified during the hearing on HB 278.

LUKE FULP, Assistant Superintendent of Business & Operations
 Matanuska-Susitna Borough School District
 Palmer, Alaska

POSITION STATEMENT: Answered a question during the hearing on HB 278.

KIKI ABRAHAMSON, Principal
Fireweed Academy
Homer, Alaska

POSITION STATEMENT: Testified during the hearing on HB 278.

JOEY ESKI, Chair
Academic Policy Committee
Aquarian Charter School
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 278.

BRENDON GERDTS, Student
Anchorage School District; Representative
Students With A Voice
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 278.

GRETCHEN STODDARD, Member
Goldenview Middle School Parent-Teacher-Student Association
(PTSA)
Anchorage, Alaska

POSITION STATEMENT: Speaking with the support of Goldenview Middle School PTSA, testified during the hearing on HB 278.

BOB GRIFFIN, Member
Academic Policy Committee
Rilke Schule German School of Arts & Sciences
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 278.

MIKE ABBOTT, Chief Operating Officer
Anchorage School District
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 278.

CASSIDY WYLDE, Student Representative
Fireweed Academy Charter School
Homer, Alaska

POSITION STATEMENT: Testified during the hearing on HB 278.

ACTION NARRATIVE

[8:06:07 AM](#)

CHAIR LYNN GATTIS called the House Education Standing Committee meeting to order at 8:06 a.m. Representatives Seaton, Kito III (Alternate), and P. Wilson were present at the call to order. Representative LeDoux arrived as the meeting was in progress.

HB 278-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

8:06:35 AM

CHAIR GATTIS announced that the only order of business would be HOUSE BILL NO. 278, "An Act increasing the base student allocation used in the formula for state funding of public education; repealing the secondary student competency examination and related requirements; relating to high school course credit earned through assessment; relating to a college and career readiness assessment for secondary students; relating to charter school application appeals and program budgets; relating to residential school applications; increasing the stipend for boarding school students; extending unemployment contributions for the Alaska technical and vocational education program; relating to earning high school credit for completion of vocational education courses offered by institutions receiving technical and vocational education program funding; relating to education tax credits; making conforming amendments; and providing for an effective date."

[Presentation and discussion limited to the school transportation section of HB 278.]

8:07:27 AM

MIKE HANLEY, Commissioner, Department of Education and Early Development (EED), said his presentation is in response to the committee's questions about the appropriateness of transportation being listed as a component of [HB 278]. The presentation will include the history of the transportation component, its funding, and its impact on districts. Commissioner Hanley began by reading the current statutory language as follows:

The budget for charter schools shall not be less than the amount generated by the students, and that the amount generated by students enrolled in the charter school is to be determined in the same manner as it would for students enrolled in other public schools.

COMMISSIONER HANLEY explained that the language of the charter school portion of the bill is based on - and is a clarification of - the aforementioned current language. The idea of the new language in the bill is not to add new components, but to recognize and clarify the amount of funding generated by students, specifically transportation funding. He stressed that the language is addressing equity, and issues of disparity, that have been brought to the attention of EED. Commissioner Hanley directed attention to a document found in the committee packet entitled, "Transportation of Pupils," and dated 2/28/14, which read:

Sec. AS 14.09.010. Transportation of students.

(a) A school district that provides student transportation services for the transportation of students who reside a distance from established schools is eligible to receive funding for operating or subcontracting the operation of the transportation system for students to and from the schools within the student's transportation service area. Subject to appropriation, the amount of funding provided by the state for operating the student transportation system is the amount of a school district's ADM, less the ADM for the district's correspondence programs during the current fiscal year, multiplied by the per student amount for the school district as follows:

COMMISSIONER HANLEY stated that the transportation program was once a reimbursable program; districts submitted their costs to EED and the department reviewed and reimbursed the costs. About ten years ago, in an attempt to encourage efficiencies, EED moved from a reimbursable amount to a block grant program based on the average daily membership (ADM) in a district and a formula that calculates how much a district receives. He referred to a second document found in the committee packet entitled "Pupil Transportation Program - Charter School PROJECTIONS," and dated 2/28/14. This document indicated the projected fiscal year 2014 (FY 14) ADM and per child transportation costs for each school district which, when multiplied, determine the amount of each district's transportation grant. Also, two separate columns indicated the additional projections for the students enrolled in charter schools in eight districts.

[8:11:45 AM](#)

REPRESENTATIVE P. WILSON asked for the consequences to a charter school whose ADM drops below 150 students.

COMMISSIONER HANLEY said if a charter school falls below 150 students it is in hold-harmless standing, and receives 95 percent of its funding for that year.

REPRESENTATIVE P. WILSON pointed out that the charter schools in Juneau and Nome are below 150 students. She asked whether that meant less funding from the state every year.

COMMISSIONER HANLEY clarified that the students in those schools generate less funding from the state for their districts. He said he would provide further clarification.

REPRESENTATIVE LEDOUX asked whether transportation to school is mandated by state statute.

COMMISSIONER HANLEY advised transportation is included in EED's intent and responsibility to provide an education for all students in the state; although he was unsure of the directive in statute, it is recognized by state and federal governments that access to education is part of the requirement to provide education to all students.

[8:15:04 AM](#)

REPRESENTATIVE LEDOUX asked for the distance from school that qualifies a student for transportation.

COMMISSIONER HANLEY noted that the districts decide the exact distance, and he read from the statute as follows:

The school district provides student transportation services for the transportation of students who reside a distance from established schools. [Said student] is eligible to receive funding.

COMMISSIONER HANLEY added that there are other factors besides distance, such as a situation where a student would have to walk across a highway.

REPRESENTATIVE SEATON recalled that when transportation was reimbursable, the state only paid for bus service for students who lived over one and one-half miles from school.

COMMISSIONER HANLEY agreed there were criteria as to what was reimbursed such as hazards and other extenuating circumstances. In further response to Representative Seaton, he confirmed that there are no longer criteria because the [grant amounts] for districts are based on the transportation contracts that were in place at the time of the change from the reimbursable program.

REPRESENTATIVE SEATON referred back to the PROJECTIONS document and clarified that the [estimated grant amount for the transportation of charter school students] is reflected in the column under the heading: Charter School Projected Pupil Transportation Funding. He concluded that the state does not pay a certain amount per student across the state; the state pays a per student amount related to the cost of transportation that was in place in 2005. For example, the Alaska Gateway School District is granted \$2,195 per student, and the Annette Island School District is granted \$192 per student. The idea that each student generates a certain amount of money is incorrect.

COMMISSIONER HANLEY observed that the grant amounts were originally based on the routes the districts ran, and the number of students served at that time. Last year or the year before the legislature made adjustments to those costs.

[8:19:38 AM](#)

REPRESENTATIVE LEDOUX speculated about the sense of busing a student less than one mile.

COMMISSIONER HANLEY reminded the committee of EED's previous testimony that charter school students are generating transportation funds for their district, thus the district needs to negotiate with charter schools on the logistics of transportation for their students, so that the district provides that service in the same manner that it is provided for other students in the district. On the other hand, a district could direct transportation funds directly to the charter school, to be used for transportation only. He stressed that the intent of the bill is to prevent a district from retaining transportation funds and leaving the charter school "on [its] own as far as transportation goes." He pointed out that there are only two school districts that don't provide transportation to charter schools.

REPRESENTATIVE P. WILSON reported that the Ketchikan Gateway Borough School District has an agreement to provide the charter school transportation.

[8:23:31 AM](#)

REPRESENTATIVE LEDOUX noted that the Anchorage School District (ASD) works creatively to provide transportation for homeless students so they can stay at the same school no matter where they are.

COMMISSIONER HANLEY said that is correct.

REPRESENTATIVE SEATON cautioned that the bill may increase conflicts between charter schools and school districts. For example, a charter school may require students to provide their own transportation, and by the change in statute proposed by the bill, still receive the transportation funds allocated for their students. This would result in a negative impact to the district's busing system, and exacerbate conflicts between charter schools and the school district.

[8:26:01 AM](#)

COMMISSIONER HANLEY pointed out that if a charter school chooses to receive transportation funds, those funds must be used for transportation. In addition, he assured the committee that the state will not interfere in a required contract between a charter school and school district; moreover, transportation needs to be addressed at the time of the contract. He opined that transportation is currently an issue of disparity and is a "built-in conflict" that the bill seeks to relieve.

REPRESENTATIVE SEATON questioned whether transportation funds are audited in each school district to ensure that the funds are spent on transportation.

COMMISSIONER HANLEY said no. However, EED believes that school districts and the charter schools will discuss how to spend transportation funds for efficiency and to provide transportation services.

REPRESENTATIVE LEDOUX suggested a simpler means would be to require in statute that all school districts must provide transportation to students attending neighborhood and charter schools. She acknowledged Anchorage may have a problem doing so.

COMMISSIONER HANLEY responded:

We don't want to step in and tell a district how to implement the most efficient process, what we want to do is clarify language that already says 'You need to be fair to charters, and don't forget you need to consider the pupil transportation funds that are generated.' Beyond that we don't want to step in on how to implement, we want to say, 'Recognize that in the contract you have with your charters.'

8:30:06 AM

REPRESENTATIVE KITO III stated that some districts, such as Juneau, have an easier time identifying the allocable cost for a charter school, but in Anchorage there are multiple charter school facilities for students from all over the district. Parents of students attending Anchorage charter schools cannot determine the transportation "share" generated by their child(ren), raising questions about equity.

COMMISSIONER HANLEY agreed.

CHAIR GATTIS commented that some school districts are very large and solving transportation problems requires a lot of discussion between the districts and charter schools. However, without the proposed bill, charter schools are not allowed to participate in the discussions.

REPRESENTATIVE P. WILSON observed some areas don't have enough students to warrant a bus and alternatives may need to be considered, such as taxis or carpooling.

REPRESENTATIVE LEDOUX opined that the directives related to transportation funding in the bill interfere with school districts more than just a requirement to provide transportation to all charter school students; in fact, Anchorage is the only district not accepting this responsibility. An agreement between ASD, its charter schools, and Anchorage charter school parents would supplant a change in funding.

8:36:22 AM

DEENA PARAMO, Superintendent, Matanuska-Susitna Borough School District (MSBSD), agreed with Commissioner Hanley that providing transportation requires extensive conversations between school

district administrations and charter school principals. This is not just a charter school issue in that districts are provided transportation funds for students attending neighborhood, charter, and special mission schools, such as Chugach Optional Elementary School in Anchorage. At MSBSD, the administration quantified the amount of transportation funds generated and queried the charter schools for their preferences. For instance, the location of one charter school determined that it would use its funds for full transportation. Other charter schools use hubs to collect students from outlying areas; in fact, one route is 90 minutes in duration. Hubs are used to transport students efficiently to all of the other schools as well. Traditional busing service for neighborhood schools is provided, although high school and junior high students are allowed to mix in order to offer options, choices, and efficiencies.

[8:39:43 AM](#)

REPRESENTATIVE SEATON posed a scenario in which a charter school is allocated its transportation amount, but does not collaborate with the school district on transportation. It is not in statute that transportation funds must be used for transportation, and if the district needs the money, would the district justify retaining the charter school's transportation funds.

DR. PARAMO said school districts have three funds: operational, transportation, and food-service. If there were excess money in transportation, money can be carried over to the next year and used for transportation. Further, transportation funds from the state cannot be used for field trips, but only for home-to-school transportation. She said she could have a reserve transportation fund, but could not transfer money to a different fund.

REPRESENTATIVE SEATON recalled that the original structure of the law was to allow districts to identify efficiencies and if so, reserve funds.

REPRESENTATIVE LEDOUX said she would like to hear from schools in Anchorage.

CHAIR GATTIS inquired as to ways to incentivize other districts to work with charter schools on the transportation issue.

DR. PARAMO was unsure, except to bring the problem to light.

8:44:35 AM

REPRESENTATIVE LEDOUX stated that if the law required school districts to provide transportation to charter school students, and this was not done, the repercussions from violating a law would provide charter schools "a place at the table."

REPRESENTATIVE SEATON returned attention to the PROJECTIONS document and noted that some school districts have huge expenses per student for transportation. He cautioned that putting a requirement for charter school student transportation in statute should be carefully considered.

REPRESENTATIVE P. WILSON said the current language in the bill is appropriate because it promotes collaboration and equity.

COMMISSIONER HANLEY clarified an earlier response as to whether the law requires that a district or the state must provide transportation. He read from the document entitled, Transportation of Pupils [text found above] and pointed out that the statute does not direct that all school districts "shall provide." However, if an Alaska school district suddenly refused to provide transportation, legal issues would arise. Commissioner Hanley restated that the intent of the bill is to treat charter schools like traditional public schools, and solve problems at the "ground level."

8:51:10 AM

CHAIR GATTIS turned attention to the transportation portion of the bill related to changes in busing contracts. She asked for an explanation of the circumstances surrounding the transportation of students who attend Monroe Catholic, a private religious school in Fairbanks.

COMMISSIONER HANLEY directed attention to AS 14.09.020 which read in part:

AS 14.09.020. Transportation for nonpublic school students

In those places in the state where the department or a school district provides transportation for children attending public schools, the department also shall provide transportation for children who, in compliance

with the provision of AS 14.30, attend nonpublic schools that are administered in compliance with state law where the children, in order to reach the nonpublic schools, must travel distances comparable to, and over routes the same as, the distances and routes over which the children attending public schools are transported. ...

COMMISSIONER HANLEY advised that this statute allows EED to provide transportation to nonpublic school students following the same bus route as the public school students.

REPRESENTATIVE LEDOUX asked whether a court case, perhaps related to the provisions of the Blaine Amendment, has ever ensued from this provision.

[Note: Alaska's "Blaine Amendment" language is part of the Alaska State Constitution Article 7, Paragraph 1 which reads: "The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution."]

COMMISSIONER HANLEY expressed his understanding that the language of the Blaine Amendment speaks to benefiting a private or religious entity, and the historical interpretation of the statute is that transportation benefits a child, and is not a direct benefit to the private or religious school.

CHAIR GATTIS opined the focus of HB 278 is on what is best for kids.

[8:55:55 AM](#)

DAVE JONES, Assistant Superintendent, Kenai Peninsula Borough School District (KPBSD), informed the committee that in his district charter school students are transported in a manner similar to, and under the same regulations as, the traditional school students. Currently there are four charter schools, and three utilize the school district transportation service. Prior to 2005, KPBSD was reimbursed for transportation costs by route, thus a route could be added with approval from EED. He recalled that one state regulation was that the district did not have to transport students living less than one and one-half mile from

school, unless warranted by a hazardous condition. Mr. Jones explained that when the reimbursable program changed to a block grant program, the per student funding allowance came from the calculation of the cost of the bus routes a district had in 2005, divided by the number of students; therefore the allowance that has been carried forward was based on the framework existing in 2005.

REPRESENTATIVE LEDOUX surmised that a school district that had been conscious of its transportation costs was penalized under this system.

MR. JONES said that was possible; however, the state required that routes were proven necessary by the number of children.

[9:01:07 AM](#)

REPRESENTATIVE P. WILSON recalled some frugal districts were frustrated with the change to the block grant.

REPRESENTATIVE SEATON reflected on the effect of the proposed change on school districts. For example, if the statute directs that charter school funding includes the transportation allowance, and one charter school does not need transportation, but still collects the transportation amount, that amount would be subtracted from the [funds supporting the] existing routes in the district. He asked how the district's transportation system would be affected.

MR. JONES responded that in his district if a charter school decided to take the transportation allotment instead of transportation services, "it would be hard for [them] to do that." He explained that the current bus contract is paid by \$9.65 that KPBSD receives per student. The district would not be able to cut routes to compensate for the loss of the per student allowance of \$9.65, because the charter school students are incorporated in the existing route structure, thus the district would be short the amount paid to the charter school.

REPRESENTATIVE SEATON surmised a charter school could decline transportation services, but use its transportation allotment for field trips. He asked whether the potential losses of transportation funding could cause the denial of a new charter school application.

[9:04:55 AM](#)

MR. JONES clarified that an existing charter school that withdraws from transportation services would cause a deficit; however, a new charter school would be invited to utilize the transportation system - as long as it met safety standards - and the students would be incorporated in the existing routes.

CHAIR GATTIS asked why one charter school in KPBSD did not choose to use transportation services.

MR. JONES relayed his understanding that the charter school's academic policy committee (APC) made the decision.

COMMISSIONER HANLEY advised that some schools in Anchorage do not need transportation services and some do; moreover, the school district would not require a charter, or neighborhood public school, to use a bus that was not needed. Thus the debate is not about money, it is about "in the same manner" in providing transportation based on the amount generated by all students. "In the same manner is the idea of equity" he said. He continued:

If I offer transportation, and we work out a contract for transportation, and we get what you need, that might mean one bus, and it might mean no buses, then we've worked that out. ... If there was money on the table only for charters, but not for a school that didn't need a bus, now we have disparity again, now we've gone backwards again, now we're treating charters like super-schools, now they get something that nobody else gets. That's not what this is about. [The bill] is designed and it's written to bring them up to the level of the other schools.

[9:09:05 AM](#)

CHAIR GATTIS asked if a charter school has any leverage in a situation where the charter school wants transportation, but the school district is unwilling.

COMMISSIONER HANLEY further explained that if a charter school requests transportation, the district has an obligation to look at the transportation funds generated by the charter school students, work out a solution, and provide the transportation. The funds generated by the charter school students are its leverage. In further response to Chair Gattis, he said the law already requires parity for charter schools; the proposed bill

provides further clarification and removes the general provision that is "open to interpretation."

[9:11:07 AM](#)

REPRESENTATIVE SEATON directed attention to [section 9] of the bill which read:

*** Sec. 9.** AS 14.03.260(a) is amended to read:

(a) A local school board shall provide an approved charter school with an annual program budget. The budget shall be not less than the amount generated by the students enrolled in the charter school less administrative costs retained by the local school district, determined by applying the indirect cost rate approved by the Department of Education and Early Development. The "amount generated by students enrolled in the charter school" is to be determined in the same manner as it would be for a student enrolled in another public school in that school district **and includes funds generated by special needs under AS 14.17.420(a)(1), secondary school vocational and technical instruction under AS 14.17.420(a)(3), and pupil transportation under AS 14.09.010.** A school district shall direct state aid under AS 14.11 for the construction or major maintenance of a charter school facility to the charter school that generated the state aid, subject to the same terms and conditions that apply to state aid under AS 14.11 for construction or major maintenance of a school facility that is not a charter school.

REPRESENTATIVE SEATON said the question is not about "the conversation, it's about the words on the paper" and he read from section 9 as follows:

The budget shall not be less than the amount generated by the students enrolled in the charter school ...

REPRESENTATIVE SEATON said this language means that the budget to the charter school - in a manner different than a neighborhood school that does not need transportation and that does not get transportation funds - by statute says the budget includes the money generated per pupil.

COMMISSIONER HANLEY said that it is clarified on line 7 that the money is to be in the same manner.

REPRESENTATIVE SEATON read line 7 in part as follows:

The amount generated by students enrolled in the charter school is to be determined in the same manner as it would be

REPRESENTATIVE SEATON stated current statute directs that the money has to go into the charter school budget, and the proposed bill adds in the transportation portion as well. He pointed out that could happen by any means, such as a contract with the school district, or to parents providing transportation. He requested an opinion from Legislative Legal Services on the meaning of the language.

[9:13:36 AM](#)

REPRESENTATIVE LEDOUX agreed that the testimony and the language of the bill conflict regarding whether a charter school that does not need transportation still receives transportation money.

COMMISSIONER HANLEY restated his interpretation and agreed that a legal opinion is warranted.

CHAIR GATTIS said an opinion will be requested.

REPRESENTATIVE KITO III asked if the funds for transportation are administered separately from the base student allocation (BSA).

COMMISSIONER HANLEY said yes.

REPRESENTATIVE KITO III surmised that BSA funds would be administered, in a manner similar, and the transportation funds would be administered, in a manner similar, but not as one fund for a single budget.

COMMISSIONER HANLEY said for accounting purposes that is correct. He added that both funds are generated by ADM, but are separate accounts.

REPRESENTATIVE SEATON stated that MSBSD understood that transportation funds could not be used for other purposes, which differs from his understanding. He asked whether the monies

generated are based on the cost of a district's past transportation system, and is it still the case that if a district can save money, the funds can be used for other purposes.

COMMISSIONER HANLEY deferred to EED, School Finance and Facilities Section.

REPRESENTATIVE SEATON questioned the relevant state law, rather than common practice.

[9:18:19 AM](#)

LUKE FULP, Assistant Superintendent of Business & Operations, MSBSD, informed the committee that the pupil transportation fund is discretionary. At MSBSD, after the change [in transportation funding] from the reimbursement basis, the fund was administered much like a special revenue grant. Currently, the funds received from the state potentially could be used for other purposes. He acknowledged that a transfer back to the general fund may be allowable by state statute, but that is not done by MSBSD; in fact, the situation is that this is a deficit fund subsidized with instructional dollars.

REPRESENTATIVE SEATON restated his point that a charter school is not under an obligation to only spend its funds on transportation, or account for them separately.

[9:21:08 AM](#)

KIKI ABRAHAMSON, Principal, Fireweed Academy, expressed her belief that the most cost effective method to handle transportation monies is to direct the funds to the school district. As a small charter school, Fireweed Academy could not afford to provide transportation using its per pupil transportation allocation. The school district can contract for transportation service more efficiently on a higher economy of scale. She assured the committee Fireweed Academy has a great transportation system and its students, including out-of-attendance boundary students, are treated in the same manner as at other schools.

[9:22:58 AM](#)

JOEY ESKI, Chair, Academic Policy Committee, Aquarian Charter School, said regarding transportation, Aquarian Charter School is viewed as inaccessible to economically disadvantaged children

because their parents are unable to provide transportation to the school, therefore, the school is asking for support from the school district to provide transportation to students who would benefit from attending. She opined that the charter schools in Anchorage do not seek transportation funds, but do seek the ability to negotiate with the district on the transportation of students. In response to Chair Gattis, she said her school and ASD first discussed transportation issues two weeks ago, an event coinciding with the release of the proposed legislation. Ms. Eski stated that ASD's transportation budget has an over \$1 million deficit and is supplemented with general funds; ASD offered to share transportation services with charter schools provided more funds were available from the state. If this were the case, ASD proposed that the charter schools purchase transportation services from the district with their transportation allocations. Ms. Eski said charter schools in Anchorage seek fairness and the ability to open their doors to more students who cannot attend due to a lack of transportation.

REPRESENTATIVE P. WILSON asked whether ASD buses that have routes to serve charter schools are currently available.

MS. ESKI declined to respond as to the availability of buses. She recalled that when per student allocations were determined in 2005, Anchorage was not providing transportation to charter schools thus it probably does not have sufficient funding to do so now. Furthermore, ASD does not provide transportation to its alternative and optional schools either, except for the Highly Gifted Program at Rogers Park Elementary, which may mean other public schools may need to be served also. She acknowledged that busing presents a major dilemma for ASD.

[9:28:25 AM](#)

CHAIR GATTIS asked whether ASD provides transportation to any charter school.

MS. ESKI said no.

[Although not formally stated, public testimony was opened on HB 278.]

[9:30:26 AM](#)

BRENDON GERDTS, Student, ASD; Representative, Students With A Voice, informed the committee his organization seeks to raise awareness about the educational needs in Anchorage and

throughout Alaska. As an aside, he recalled that when he attended Rogers Park Elementary School the bus carried six students, which was not efficient; however, busing was necessary so that the program could benefit students throughout the city.

CHAIR GATTIS asked if Mr. Gerdts could offer any alternatives for a more efficient busing system.

MR. GERDTS said he was unsure. The geography of Anchorage does not lend itself to efficiently transporting students who are interested in a program across the city. He suggested using smaller buses on an expanded route would be one option to save money. Turning to HB 278, he said raising the BSA by \$86 is inadequate to restore past losses or to prevent the impending loss of 200 positions in Anchorage. Mr. Gerdts noted the previous loss of school counselors has hurt the emotional stability of the student body, particularly for elementary children of military families; in fact, any loss of school staff is damaging. In response to Chair Gattis, Mr. Gerdts recommended an increase to the BSA of \$400, inflation-proofed, which would restore the educational programs supported by his organization.

[9:36:20 AM](#)

GRETCHEN STODDARD, Member, Goldenview Middle School Parent-Teacher-Student Association (PTSA), informed the committee her son is a student at Goldenview Middle School and she is speaking with the support of the Goldenview PTSA. She said her son rides the school bus, which is usually not full, but it often runs late because the bus route covers Goldenview, South High School, and Rabbit Creek Elementary. Inclement weather often causes the bus to run late. Ms. Stoddard stated her support for busing for all students if the resources are available; however, Anchorage is a massive school district that serves all of Anchorage with one level property tax base. Ms. Stoddard restated her support for transporting students to the school of their choice if money is available.

REPRESENTATIVE LEDOUX understood that transportation is difficult for ASD; however, if the district has made accommodations to bus students from all over Anchorage to Rogers Park Elementary School for an optional program, she questioned how ASD could not provide transportation for other optional, but important, programs.

MS. STODDARD cautioned that [school issues] are pitting parents against each other. She opined there are not enough resources to give everyone a choice and provide transportation, but the state has sufficient resources to provide "one good option to children, but we don't have the resources to give full bus service to everything [that] every parent would want.

REPRESENTATIVE KITO III asked if a weather delay results in an overcrowded bus.

MS. STODDARD said there is always room on the bus, but by the third route, the bus often runs late.

[9:45:35 AM](#)

BOB GRIFFIN, Member, Academic Policy Committee, Rilke Schule German School of Arts & Sciences, stated he was speaking on his own behalf. He encouraged the committee to think "outside the box" about charter school funding and transportation issues. He agreed that the funds are discretionary, and should be applied in a way to allow better access to charter schools by low income students through alternative transportation methods. As opposed to charter schools in the Lower 48, Alaska charter schools are not geared to benefitting low income students, with the exception of the Alaska Native Cultural Charter School in Anchorage. Mr. Griffin urged committee members to find a way to provide transportation funding and equal support so that charter schools have transportation and encourage attendance by a more diverse student population.

[9:49:37 AM](#)

MIKE ABBOTT, Chief Operating Officer, ASD, stated that ASD has not taken a position on the portion of [HB 278] that requires transportation funding to be allocated on a per student basis to charter school entities. He informed the committee that currently ASD retains the entire per student allocation from the state, multiplied by the student population, and parses out the funds to certain services provided districtwide. The last estimate indicated that about one-half of the students in Anchorage are eligible for transportation funding; in fact, the district's policy has not changed from before the time the state reimbursed districts for actual transportation costs.

REPRESENTATIVE LEDOUX observed that ASD does not provide transportation for charter school students, and asked for the basis of that decision. Furthermore, she asked for the

practical ramifications of legislation which may mandate that ASD provide transportation.

MR. ABBOTT said he could not speak to the causal factors leading to the manner in which ASD addressed charter school funding ten or fifteen years ago. However, regarding the potential impact of the previously described legislation, he said approximately 5 percent of the student population attends one of eight charter schools. If the legislation diverts 5 percent of the student transportation revenue stream away from the current district program, ASD would either have to reduce the service level provided for the overall student population, or further subsidize the student transportation program from its general fund. He noted that at this time, the transportation system is subsidized with about \$1 million, which is equal to 5 percent of the total transportation costs. Mr. Abbott acknowledged that subsidizing a transportation system with general funds is not an unusual situation for schools.

[9:55:47 AM](#)

REPRESENTATIVE LEDOUX asked about the distance a student lives from school to be eligible for bus transportation.

MR. ABBOTT responded that if a non-hazardous walking route is less than one and one-half miles, a student is not eligible for transportation. If the route is longer or deemed hazardous, a student is eligible, but only to their neighborhood school. The primary exceptions are Rogers Park Elementary, Child in Transition, special education, and No Child Left Behind programs.

[9:57:22 AM](#)

REPRESENTATIVE LEDOUX inquired as to how much money would be saved if the boundary limit was changed to two miles.

MR. ABBOTT said he was unsure exactly, but it would significantly reduce elementary school busing. Most of ASD's elementary school children live less than two miles from their school; in fact, over 10 percent of the elementary schools do not have transportation provided, except for special education or other programs. An expansion of the walking limit to two miles would put many more elementary schools in the walking category, and reduce bus service at others. Mr. Abbott said that sort of service-level change would be considered if the district were faced with a reduction in transportation funding.

REPRESENTATIVE LEDOUX asked whether it would it be practical and cost-effective to bus kindergarten through third grade students for one distance, and fourth through sixth grade students for a longer distance.

MR. ABBOTT said it could; however, generally ASD's challenge to provide transportation is not the number of students, but the distance of the route. For example, elementary bus routes have many stops, and there may not be significant savings from a lower or higher density [of riders].

[10:01:13 AM](#)

CASSIDY WYLDE, Student Representative, Fireweed Academy Charter School, said she was speaking for nine Fireweed Academy students who average 16 miles one way of travel to school each day, in three different directions. Therefore, the bus funds per student would not be sufficient to pay the cost of their bus. Although the proposed increase in the BSA is appreciated, it is not enough, and she urged the legislature to increase the BSA by \$100 per student, each year, for the next three years.

REPRESENTATIVE SEATON submitted a question for the committee's future consideration. He referred to section 9 of the bill, and asked school districts to report to the committee on whether special education dollars should be proportional to the number of special education students in a charter school, or be a "flat" allocation as is proposed in HB 278.

[HB 278 was held over.]

[10:04:07 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 10:04 a.m.