

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

March 5, 2014
8:09 a.m.

MEMBERS PRESENT

Representative Lynn Gattis, Chair
Representative Lora Reinbold, Vice Chair
Representative Gabrielle LeDoux
Representative Paul Seaton
Representative Sam Kito III (Alternate)

MEMBERS ABSENT

Representative Dan Saddler
Representative Peggy Wilson
Representative Harriet Drummond

COMMITTEE CALENDAR

HOUSE BILL NO. 93

"An Act relating to the authorization, monitoring, and operation of charter schools."

- HEARD & HELD

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 93

SHORT TITLE: CHARTER SCHOOLS

SPONSOR(S): REPRESENTATIVE(S) GATTIS

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|----------|-----|---------------------------------|
| 01/30/13 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/30/13 | (H) | EDC, FIN |
| 03/15/13 | (H) | EDC AT 8:00 AM CAPITOL 106 |
| 03/15/13 | (H) | Heard & Held |
| 03/15/13 | (H) | MINUTE(EDC) |
| 03/20/13 | (H) | EDC AT 8:00 AM CAPITOL 106 |
| 03/20/13 | (H) | Heard & Held |
| 03/20/13 | (H) | MINUTE(EDC) |
| 03/05/14 | (H) | EDC AT 8:00 AM CAPITOL 106 |

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 |
| 02/28/14 | (H) | Heard & Held |
| 02/28/14 | (H) | MINUTE(EDC) |
| 03/05/14 | (H) | EDC AT 8:00 AM CAPITOL 106 |

WITNESS REGISTER

CRYSTAL KENNEDY, Staff
Representative Lynn Gattis
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 93, on behalf of the prime sponsor, Representative Lynn Gattis, during the hearing on HB 93 and HB 278.

MATTHEW LADNER, PhD
Senior Advisor of Policy and Research
Foundation for Excellence in Education
Phoenix, Arizona

POSITION STATEMENT: Presented a PowerPoint during the discussion of HB 93 and 278.

AMANDA FENTON, Director
State and Federal Policy
National Association of Charter School Authorizers (NACSA)
Chicago, Illinois

POSITION STATEMENT: Testified and answered questions during the hearing on HB 93 and HB 278.

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

POSITION STATEMENT: Testified and answered questions during the discussion of HB 93 and HB 278.

SUSAN MCCAULEY, Director
Teaching and Learning Support
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 93 and HB 278.

REPRESENTATIVE CHRIS TUCK
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 93 and HB 278.

RUBY ALLEN, Student
Fireweed Academy
Homer, Alaska

POSITION STATEMENT: Testified during the hearing on HB 93 and HB 278.

CLAIRE BRYANT, Student
Fireweed Academy
Homer, Alaska

POSITION STATEMENT: Testified during the hearing on HB 93 and HB 278.

KIKI ABRAHAMSON, Principal; Teacher
Fireweed Academy
Homer, Alaska

POSITION STATEMENT: Testified during the hearing on HB 93 and HB 278.

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

POSITION STATEMENT: Testified during the hearing on HB 93 and HB 278.

NATASHA VON IMHOF, Vice President
Anchorage School Board (ASB)
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 93 and HB 278.

MICHAEL REHBERG, Member
Academic Policy Committee
Winterberry Charter School
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 93 and HB 278.

ACTION NARRATIVE

[8:09:38 AM](#)

CHAIR LYNN GATTIS called the House Education Standing Committee meeting to order at 8:09 a.m. Representatives LeDoux, Seaton, Kito III, Reinbold and Gattis were present at the call to order.

HB 93-CHARTER SCHOOL **HB 278-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS**

[8:10:15 AM](#)

CHAIR GATTIS announced that the only order of business would be concurrent hearings of HOUSE BILL NO. 93, "An Act relating to the authorization, monitoring, and operation of charter schools," and 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."

[8:11:25 AM](#)

CRYSTAL KENNEDY, Staff, Representative Lynn Gattis, Alaska State Legislature, on behalf of the prime sponsor, Representative Lynn Gattis, recapped HB 93, paraphrasing from a prepared statement, which read [original punctuation provided]:

The purpose of this bill is to expand and improve our state's charter school laws in an effort to create a healthier environment for the establishment of and for the operation of our public charter schools. Our state began this effort almost 20 years ago and as we've seen the benefits that a charter school program has afforded our students these past two decades and it has become evident that we need to continue to revise and improve our laws to expand those opportunities and continue to meet the educational needs of our youngest citizens. Our state has been ranked 40th in the area of supportive charter school laws (by National Alliance of Public Charter Schools) and this bill addresses some of the statute's shortcomings by removing some of the barriers that have unintentionally become a hindrance and by providing efficiencies for better implementation of this viable and in-demand educational option.

[8:12:38 AM](#)

MS. KENNEDY continued presenting HB 93, reading [original punctuation provided]:

[HB 93] has several main components that I'll highlight briefly:

It allows multiple authorizers for approving public charter school charters.

It requires DEED to develop procedures for approving those authorizing entities and establishing the requirements, responsibilities and expectations for those entities.

It charges the DEED for prescribing the application procedures rather than a local district for the purposes of statewide consistency.

DEED and the Board of Education remain the final authority for approving authorizers and charter schools.

It puts more oversight and reporting responsibility on the shoulders of the DEED, not the charter school itself or the local districts.

It specifies that districts must disburse funds including the local contribution amounts to the charter school in a timely manner.

It provides for an agreed upon exemption to local negotiated bargaining agreements and allows for hiring a teacher who is outside of the local collective bargaining group.

My goal is simply to refresh your memory on the elements of the bill and I am more than happy to answer any questions but with the approval of the Chair I would like to suggest that you hear from those waiting to testify on this bill. There are several people available on-line from nationally recognized organizations [that] can shed more light on how any of these changes would improve our charter school environment and will give you a better picture of how these changes are working in other states around the nation.

It doesn't take the ability away from local school boards to approve a charter; instead it adds that privilege and responsibility to other state approved entities.

[8:14:38 AM](#)

CHAIR GATTIS remarked that she brought this bill up last year and believes that now is the perfect time to look at some outdated charter school laws, especially since the charter schools have evolved.

[8:15:12 AM](#)

MS. KENNEDY read portions of the testimony from Russ Symnic, Senior Director, National Alliance for Public Charter Schools. She said that Mr. Symnic says that authorizers are the entities that review applications, enter into charter contracts with applicants, oversee public charter schools and decide whether to review or close them. Most states with charter school laws allow local school boards as charter authorizers; however, 35 states and the District of Columbia also permit non-district entities, such as universities, colleges, and independent state chartering boards to serve as charter authorizers in addition to the local school boards.

MS. KENNEDY related six types of non-district authorizers: new independent state chartering boards - 14 states and the District of Columbia - universities and colleges, three states allow cities to be authorizers, four states allow nonprofit organizations to be authorizers, six states have regional education entities, and 18 states take advantage of existing state boards, commissions and departments. One of the 20 essential components of the national Alliance for Public Charter Schools' model public charter school law is ensuring two or more authorizing paths, such as a school district and a state charter school's commission, are available for each applicant for a public charter school with direct application to each authorizer. In one of his final comments, Mr. Symnic says, "Whatever path a state chooses, allowing non-district entities to authorize public charter schools will lead to a larger number of high-quality public charter schools in states. Not only will these schools benefit the students who attend them, but they'll also serve the larger public education system by sharing successful practices with surrounding school districts."

[8:17:43 AM](#)

REPRESENTATIVE SEATON reminded members that on March 15, 2013, the committee adopted Version O as a working document. He asked whether the committee is currently still working from Version O.

CHAIR GATTIS answered yes; however, some discussion has arisen since the document wasn't listed in BASIS.

[8:19:21 AM](#)

MATTHEW LADNER, PhD, Senior Advisor of Policy and Research, Foundation for Excellence in Education, stated that this organization is a nonprofit founded by former Florida Governor Jeb Bush, in Tallahassee, Florida although he resides in Phoenix, Arizona. He said charter schools tend to generate controversy. He read from Article VII, Section 1, of the Alaska Constitution, as follows, "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." Clauses like this reinforce that school districts are here to stay and 100 years from now will serve even more students. Further, he anticipated they will be a permanent feature of all states in the educational landscape. The question is to discover means to help public schools operate better. Of course charter schools are public schools, but are organized a little differently. Directing attention to the committee packet and the handout entitled "Charter Schools and Alaska's Challenges," he reviewed age data generated by the U.S. Census Bureau to explain trends in student enrollment growth. By 2030, it is expected that the target school population will increase and the number of charter schools will rise. He cautioned against viewing students as a fixed pie with charter schools taking away from public school funding and student.

DR. LADNER turned to "Figure 1: Alaska's Expanding Youth and Elderly Population" to population projections. He directed attention to the bar graph that compares the census population for 2010 with projections in 2030. The blue bar graph represents children ages 5-17 and the red graph, seniors 65 years and older. In 2010 children ages 5-17 totaled 125,603 but will increase in 2030 to 176,174. Conversely, the elderly population will increase from 56,548 to 127,202 during the same time period. He predicted Alaska is one of 12 states that will experience a large increase in senior population at the same time they experience an increase in the K-12 population. Both of these populations will have an impact on state budget

considerations due to Medicaid programs due to the baby boomers moving into retirement as their grandchildren increase.

8:25:43 AM

DR. LADNER said charter schools represent a means to create new public schools without drawing on state funds to build facilities in the same way that traditional schools do. Charter school operators raise private funds from philanthropic sources to open new public schools.

CHAIR GATTIS interjected that Alaskan charter schools do not follow that form and at this time do not have private funds. All charter schools are public schools and lease buildings, often paying property taxes from operating funds.

8:27:18 AM

REPRESENTATIVE LEDOUX asked for further clarification on whether most states charter schools are supported by funds other than public funds.

DR. LADNER explained that charter schools are funded from a combination of funding sources, but often they will raise philanthropic dollars to establish their facilities. He pointed out the anticipated student population growth and suggested that if someone did raise money from philanthropic sources, it could benefit the state.

8:28:28 AM

REPRESENTATIVE LEDOUX asked for further clarification that in other states in many cases the charter school facility costs are raised through private sources and operations occur through state funding.

DR. LADNER answered that is correct. The growth trend indicates that school and retirement age populations will grow but the percentage of Alaskans in the labor force will be fewer. Thus, at the same time that fewer taxpayers will be paying into the system Alaska will face additional demands for K-12 students. He highlighted the two big issues Alaska faces, first, how to house 50,000 additional students. Second, the National Assessment of Educational Progress (NAEP) or nation's report card, which is a highly respected source of data, provides scoring that indicates Alaska, similar to other states, experiences quality issues. This is especially pertinent, since

the 2030 taxpayers are currently in the Alaska public school system.

8:31:26 AM

REPRESENTATIVE LEDOUX interjected that Alaska does not currently have a state tax, as he is conjecturing.

CHAIR GATTIS acknowledged the state does not have a state income tax.

8:32:20 AM

DR. LADNER, referring to the slide entitled, "Figure 2: Alaska Students Scoring "Proficient or Better" on NAEP," addressed the NAEP scores that indicate full grade level proficiency scores, which indicate Alaskan scores for student run about 30-31 percent. Obviously, he said, the state will want to improve on these percentages. He related NAEP has four levels: below basic, basic, proficient, and advanced.

DR. LADNER referred to the slide entitled "Charter School Law Rankings and Scorecard 2013," which outlines data from the Center for Education Reform (CER), a Washington D.C, group that focuses on charter schools. The CER has graded all states' charter school laws and Alaska ranks on the low end in the "D" column. The CER found that the biggest flaw is the authorization, and leaving authority solely to school districts creates a conflict of interest. He added that there is concern on how charter schools may impact neighborhood public schools; however, as a practical matter it doesn't come up very often in rural areas. Charter school operators are making a big investment and tend to focus on urban settings and not in rural areas or other areas in which the school won't be viable.

DR. LADNER turned to the final chart entitled, "Annual test-score gains between 1992 and 2011 (percent of standard deviation)." This chart does not indicate Alaska statistics but lists cost per student cost as compared to improvement. He related this tracks the past twenty years of investment. He pointed out that Florida appears to be the most improved for the least per pupil investment and suggested that one of the major themes in the Florida reform effort has been school choice. He characterized Florida's charter school law as being very robust, with private, charter, and virtual school diversification. The proficiency and effectiveness in Florida has been dramatic and population growth has been robust. He indicated a greater

percentage of children are being taught to read and are becoming proficient in math. Like Alaska, Florida has a growing student population and must consider where to house students. In his experience it's not just that charter schools create healthy competition for students, but they allow parents the opportunity to match their child with a school that fits the need. He touted the need to liberalize the charter school laws to meet students' needs.

[8:42:24 AM](#)

REPRESENTATIVE SEATON acknowledged that charter schools are widely accepted in Alaska, and not a concern for quality and performance. He turned to the chart indicating the scorecard ranking and said that Alaska, Maryland, and Arkansas all fall in the "D" column, yet charter schools in these states showed the greatest improvement. He asked for further clarification.

DR. LADNER said there are multiple ways to improve public schools and did not intend to suggest charter schools are the only way to do so. He said a number of studies on charter school performance found students who gained access to charter schools via lotteries had a clear academic advantage over students who applied but did not gain access. Thus, solid evidence shows that charter schools will help improve education; however, charter schools are not the only way to improved public education in Alaska.

[8:45:17 AM](#)

REPRESENTATIVE KITO, III reiterated that Alaskans don't pay state taxes and he noted Alaska's revenue oil-based revenue source faces declining oil production and reduced revenue, so the state faces budget constraints. He viewed the growing student population statistics as positive, but it also puts more pressure on Alaska's budget situation and makes it likely to justify funding programs that may not be tested. He asked if the state allows other authorizers for charter schools if they will need to meet the same requirements as the public school system.

DR. LADNER responded that with declining oil revenue, the state will likely need to increase personal taxation. With 50,000 students on the horizon, he suggested the state might seek statutory changes to encourage philanthropic dollars for educational purposes.

8:47:22 AM

CHAIR GATTIS said she received a comment, which read: "Charter schools are an attack against local control. As new charter schools pop up in school districts and decreased enrollment in traditional public schools, school districts might be forced to close neighborhood schools. Currently, school districts are able to make decisions about charter schools that benefit all students." She asked him to respond to the fear of charter schools.

DR. LADNER, based on census data, responded that the district schools are not in jeopardy of closing in Alaska. With a 40 percent increase in school age population it is more likely potential overcrowding is more of a concern. The best kind of local control for schooling options is through parental control. He acknowledged and respected the school board process, but favored greater options for parents to seek out the appropriate situation for their children's education. No matter the setting, every school has some students who could be better suited in another situation.

8:50:24 AM

CHAIR GATTIS suggested multiple authorizers may be a question for the committee to discuss. She reported the trend in Alaska's public school districts appear to be declining student population with the exception of the Mat-su School District. She asked for further clarification on the figures.

DR. LADNER said he reviewed the current school enrollment statistics which he accessed indicate the growth as shown on the census chart. He said other options could cause the decline in the public schools. He was unsure what the private school and home school rates were and how that affects the figures.

8:53:53 AM

AMANDA FENTON, Director, State and Federal Policy, National Association of Charter School Authorizers (NACSA), stated that NACSA works with charter school authorizers, the entities that grant and oversee charter schools. In Alaska, it would be school districts. The NACSA works to ensure that the policies and structures ensure that the best schools are being approved, the charter school is held accountable, fostering a high-quality structure. She addressed the multiple authorizer questions and said the first principle is that a charter school should have at

least two authorizer options available in their jurisdiction, but not too many. The state should ensure that new and existing authorizers are of the highest quality to help ensure that the charter school sector will be high quality and produce the highest performing school.

MS. FENTON cited that 31 of 42 states that have charter laws have multiple authorizers, one of which could be the State Board of Education, a state charter school board, an institution of higher education, a nonprofit organization, or municipal government. This helps ensure that a single operator cannot block all charter schools. Some states like Ohio, Minnesota, and Indiana have had too many authorizers, up to two dozen statewide authorizers operating at once. When too many are operating, there is a concern for creating a "race to the bottom" situation, when authorizers try to attract charter schools, causing a negative impact on the quality of the charter sector. The possibility for 2-5 would be optimal and if a school has been turned down by five entities, it is likely the school shouldn't be approved. Expansion of the authorization process and ensuring quality will foster positive growth of a vibrant charter school sector while providing protections against some of the negative impacts of too many authorizers. Policy stipulations can be imposed on charter schools, such as strengthening renewal standards, but also for authorizers, such as requiring measureable results to hold accountability levels up. She stated this can be accomplished through regular authorizer evaluations, or by strengthening the authorizer application process proposed in HB 93, or as Minnesota has done by holding the authorizer directly accountable for performance of the charter schools it oversees.

REPRESENTATIVE KITO, III said the current system hosts 53 independent schools in the state and suggested that an additional state authorizer might be in order rather than allow any authorizers to come forward, which could lead to 60 or more.

[9:00:56 AM](#)

REPRESENTATIVE LEDOUX asked whether current state law requires a charter school be authorized in the district where it is physically located. She asked whether Fairbanks could authorize a school a charter school in Anchorage.

[9:02:05 AM](#)

MIKE HANLEY, Commissioner, Department of Education and Early Development (EED), answered that the school district authorizes schools in their district, but technically there are no prohibitions on the physical boundaries. For example, the Middle College Charter School falls just outside the Mat-Su Borough School District (MSBSB), but, typically, charter schools do operate within the district boundaries.

REPRESENTATIVE LEDOUX related her understanding that may be tradition, but is there any law prohibiting the MSBSC from authorizing schools in the Anchorage School District.

COMMISSIONER HANLEY answered no. The students attending the school are not Anchorage School District (ASD) students, but the Mat-Su Borough's students.

CHAIR GATTIS interjected that the students reside in one district and the charter school is in another district.

COMMISSIONER HANLEY related the school is on the university campus.

[9:04:04 AM](#)

REPRESENTATIVE KITO, III said the funding for the students in the charter school comes from the home district. A charter school authorized in Fairbanks but taking place in Anchorage would need to consist of Fairbanks students, which may be the delineating factor. Therefore, it would not likely result in an authorization. However, the MSBSC and ASD share adjacent boundaries so MSBSD's students could cross into the ASD to attend, but would bring their MSB funding.

REPRESENTATIVE LEDOUX related her understanding if the funding followed the students, under HB 93, would the student costs reside with Anchorage because of the approval by an independent authorizer from Anchorage.

COMMISSIONER HANLEY explained that an authorizer that is not connected to a district essentially creates a separate district for schools not defined by geography, but defined by the authorizer. He didn't envision each district would become its own local education agency (LEA), but every authorizer would create new school districts as it approves schools.

[9:06:53 AM](#)

CHAIR GATTIS said the intent for HB 93 was to allow local control of schools, and neighborhood schools could become charter schools. She related her understanding that some parents and teachers in rural Alaska wanted to break away from districts and create a charter school, but received push back. In addition, some Native Corporations would like to participate by bringing rural students to Anchorage.

[9:08:52 AM](#)

REPRESENTATIVE LEDOUX, in the context of a village with a small student population, noted not everyone would agree on whether to have a neighborhood school or a charter school.

MS. FENTON interjected that a quality authorizer will not approve a school that may not prove to be viable on all fronts, including community support, financial viability, and other facets. In small communities schools that are approved often occur as a means of consolidation. She related a scenario in Colorado to illustrate that schools are not typically created in areas where they are not desired.

[9:12:34 AM](#)

REPRESENTATIVE REINBOLD remarked that more needs to be done to improve our schools. The current school budget is at \$3 billion, and the NAEP scores indicate low proficiency in critical areas, such as 8th grade math. She expressed concern that many students are being held back and long wait lists exist at charter schools. The parental choice is not available, due to the limited space in charter schools. She acknowledged that multiple authorizers would be important in a healthy system. She asked for a recommendation of three authorizers with a proven record.

[9:14:41 AM](#)

MS. FENTON said that beyond the school district authorizers, that two institutions of higher education include the University of New York and Central Michigan University, the Thomas B. Fordham Institute in Ohio, a nonprofit, the City of Indianapolis, Denver Public School District all are exceptional authorizers. What makes these entities stand out is a commitment to authorizing, and in some ways they are single-purposed entities that focus to ensure quality approvals, and when a school is closed it is done so in a fair, efficient and expedient manner.

REPRESENTATIVE REINBOLD asked for a listing for the committee.

CHAIR GATTIS offered to distribute the list.

9:16:15 AM

REPRESENTATIVE SEATON understood the duties of the authorizer as stipulated in the bill. He expressed concern that separate authorizers would create new school districts that would receive the funds. He questioned if new districts are created how the new school district would operate, and if the decisions would be made by the authorizer outside the existing school district. He said the committee is on the verge of a fundamental change and broaching a much bigger question. Wherever the students are located, they are the members of the charter school. He offered his belief that the ramifications are much larger and he didn't feel comfortable adding it to the governor's bill.

CHAIR GATTIS agreed, noting it is more important to have the conversation and to consider alternatives. She said there are positives and negatives for keeping charter schools under the local school district's authority, but there are many other considerations, including whether charter schools are a means for private industry to contribute.

9:23:12 AM

REPRESENTATIVE LEDOUX understood tension may exist with funding issues regarding charter schools and districts. She asked if there is subjectivity involved or whether school districts have specific things they can consider when determining whether to authorize a charter school. Additionally, is the school district permitted to consider the effect that a charter school may have on its budget.

9:24:35 AM

COMMISSIONER HANLEY answered that AS 14.03.250 speaks to the governance of a charter school. He added that charter schools are the vision of a school board and school district to provide an opportunity. He disagreed that school boards don't want them. He acknowledged some friction can occur with charter schools' increased autonomy. A charter school may hire a principal by contract, but if the school doesn't perform well, the school district doesn't have as much control.

REPRESENTATIVE LEDOUX questioned how the community can obtain authorization for a charter school if the school district's "private" vision doesn't include a charter school. She asked for further clarification if one consideration could be the effect the charter school will have on the budget.

COMMISSIONER HANLEY answered yes; but the process is at the local level and not specified in statutes although it's one reason the governor put that aspect in the Alaska Education Opportunity Act. Thus, school boards would need to be placed on the record as to why a charter school is not authorized based on facts and findings of law.

[9:27:26 AM](#)

REPRESENTATIVE LEDOUX further asked if the only reason for denial is the financial viability of the district based on the potential number of students to attend the charter school how a second authorizer would affect the decision. She suggested if districts base their decision on financial viability, a second authorizing entity may not be concerned with financial viability of the school district.

[9:28:39 AM](#)

SUSAN MCCAULEY, Director, Teaching and Learning Support, Department of Education and Early Development (EED), said the current law allows a local district to deny a charter school. Current statute requires the EED be informed when a school board decides not to approve a charter school. There is not a requirement to share the reasons for denial, such as financial impact on the district, nor does it provide for an appeal process.

[9:29:53 AM](#)

REPRESENTATIVE LEDOUX asked for clarification whether under HB 278 - the governor's bill - financial impact would be a legitimate reason for denying the authorization of a charter school.

COMMISSIONER HANLEY answered yes. It would be inappropriate for a commissioner, on appeal, to force districts to create a new charter school.

[9:30:59 AM](#)

REPRESENTATIVE LEDOUX related under HB 93 a charter school could be authorized by an independent authorizer that could impact the financial viability of the aforementioned district.

COMMISSIONER HANLEY answered that an independent authorizer would be responsible for authorizing a viable charter school.

REPRESENTATIVE LEDOUX clarified that the independent authorizer would only have responsibility for the specific charter school and not in relation to a neighborhood public school.

COMMISSIONER HANLEY agreed that an independent authorizer would have sole responsible for the specific charter school.

[9:33:33 AM](#)

REPRESENTATIVE CHRIS TUCK, Alaska State Legislature, speaking from his school board experience, reviewed a number of facts regarding the current charter school situation. The state has received 54 charter school applications with 27 charter schools operating since 1995, but the Juneau Borealis Montessori School has been the only application denied. Twelve charter schools never opened, some due to organizational difficulties. He reported that of those four closed due to financial issues, four closed due to low enrollment, three converted to correspondence schools, one closed and reopened as a district program, one application was withdrawn and one is awaiting adequate facilities. Thus, the charter school approvals have been successful in the state. He emphasized the importance of benchmarks to assure charter schools have an opportunity to be successful.

CHAIR GATTIS recalled serving on the school board, noting the school board didn't deny applications but some never made it to that level. She pointed out a process in the governor's bill that allows for an additional appeal, which has some merit.

[9:35:56 AM](#)

REPRESENTATIVE TUCK addressed the waiting list issue and said bridging the funding gap may be helpful. He referred to a chart in members' packets, entitled "Anchorage Charter School Facilities Analysis" and said the percentage of rent per facility ranges from 6-28 percent, but some charter schools were converted to home school programs and the Aquarian facility rents an older facility. Thus, removing those schools increases the rent from 24-28 percent. He suggested an increase to the

Base Student Allocation (BSA) of 10 percent to charter schools to offset facilities' costs.

[9:38:01 AM](#)

REPRESENTATIVE TUCK related a charter school startup grant program in statute is due to expire in 2015, but removing the sunset provision could assist in start-up costs with approximately a \$500 per student grant. Another provision in statute allows for federal funding and eliminating the sunset could provide additional funds if the federal program is funded.

[9:39:16 AM](#)

REPRESENTATIVE REINBOLD asked for further clarification on federal funds for charter schools.

REPRESENTATIVE TUCK answered that the state hasn't received any funding. In 2003, the legislature established the law to receive the funds, but federal funds have not been available since that time. The sunset could be removed in order to receive these funds if they become available.

[9:40:10 AM](#)

REPRESENTATIVE TUCK suggested the committee may wish to consider converting neighborhood schools to charter schools, which will provide choice and all or part of the school could be converted. This could be made part of the application process and it could free up the wait list as well as the opportunity to use established school transportation. A grandfather clause would allow students to remain in the school.

CHAIR GATTIS commented that in Nome, a charter school is next to the public school and shares facility assets.

[9:42:00 AM](#)

REPRESENTATIVE REINBOLD related that repurposing existing facilities is important and a number of schools in Anchorage and Eagle River are at 80 percent capacity. She couldn't remember the statute that directs the commissioner to do so, but offered to work with Representative Tuck on the issue of repurposing schools since charter schools could have first right of refusal on buildings.

REPRESENTATIVE TUCK suggested a state grant program that was repealed in 2003 offered \$500 per student for start-up costs could be reinstated.

[9:44:10 AM](#)

RUBY ALLEN, Student, Fireweed Academy, read from prepared testimony, as follows:

For the record I am a 6th grade student in the Fireweed Academy in Homer, Alaska. At our charter school the teachers are flexible to our personal goals and if I know how to make masterpiece sentences then I am [allowed] to work on my own projects in my [interests] as long as they fit the New English Standards for [Language] Arts.

We need teachers in charter schools who believe and know how to teach according to our school.

My classmates in the room [appreciate] learning how bills are passed [especially] if they are making our school better and improving the way we learn. We love our school and we want to support it.

[9:45:08 AM](#)

CLAIRE BRYANT, Student, Fireweed Academy, read from prepared testimony, as follows:

For the record my name is Claire Bryant and I'm a 6th grade student at Fireweed Academy.

My classmates and I wanted a different format for completing our literature studies. Yesterday our teacher gave us the new Alaska English Language Arts Standards and allowed us to create the literature studies for next quarter. We couldn't have done this if we had a traditionally trained teacher that wasn't interested in our charter school.

Thank you for working to approve charter school law in Alaska.

[9:45:48 AM](#)

KIKI ABRAHAMSON, Principal; Teacher, Fireweed Academy, stated that she has been with Fireweed Academy since 1997. She has found the most effective way to teach is to bring the children to the Legislative Information Office (LIO) to watch these hearings and follow the bills that affect us. She was happy to have this opportunity to testify. She directed attention to Section 8 of HB 93 and AS 14.03.270(b). She was uncertain how this language would solve one of the main problems with staffing situations. She suggested the committee consider an amendment to existing language in AS 14.03.270(a), which read:

(a) A teacher or employee may not be assigned to a charter school unless the teacher or employee consents to the assignment.

MS. ABRAHAMSON indicated the district can still force a school to take an unassigned tenured teacher due to the language in subsection (b) since it requires adherence to negotiated agreements or collective bargaining. She suggested an amendment be considered that would add "unless the principal and [academic policy committee] APC consent to the assignment." She referred to the authority in existing AS 14.03.255 (b), in particular, paragraph (8), which read, "the name of the teacher, or teachers, who, by agreement between the charter school and the teacher, will teach in the charter school;" and emphasized the importance of hiring teachers who are aligned with a school's philosophy, mission, founding principles, and methods.

CHAIR GATTIS agreed with the need for the amendment.

REPRESENTATIVE SEATON offered to distribute the written comments previously submitted by Ms. Abrahamson.

[9:50:25 AM](#)

JOEY ESKI, Chair, Academic Policy Committee, Aquarian Charter School said an informal vote was taken by five charter schools and one home school regarding multiple authorizers resulted in particular concerns, which included: accountability, lowering standards, and possible outside interests capitalizing on the local charter school system. The vote was unanimous for facility based schools not having outside authorizers except a few people from the home school based charter schools that felt additional authorizers might give them a potential advantage.

[9:52:23 AM](#)

REPRESENTATIVE SEATON recalled the concern in the Anchorage area for pupil transportation. He referred to a memo from legal services dated 3/4/14 that indicated transportation must be provided on existing routes, which would solve a number of the issues. He asked whether some charter school issues in Anchorage would be solved if the district was providing transportation for charter school students on existing neighborhood school transportation routes.

CHAIR GATTIS clarified that a bus enroute to neighborhood schools could transport charter school students since they are all public school students.

MS. ESKI offered her belief that it would be helpful for the Aquarian Charter School to be integrated into the school system and any pupil transportation support could help. A primary criticism of charter schools has been that disadvantaged families cannot partake due to transportation issues.

[9:55:53 AM](#)

CHAIR GATTIS said she has worked with Mr. Eddy Jeans to craft an amendment for pupil transportation to be included in the bill to allow this type of activity. She characterized it as a "win-win" situation.

[9:57:03 AM](#)

NATASHA VON IMHOF, Vice President, Anchorage School Board (ASB), paraphrased from a prepared statement, as follows [original punctuation provided]:

After reading the bill, our impression is the bill's intent is to "empower entities outside the traditional public K-12 milieu to grant charters, in hopes to provide diversity in perspective about school choice- and bring a wider range of knowledge and experience to bear on charter growth."

We are assuming then- that authorizers would have sufficient information and expertise -at the point of charter application- to judge the likely future performance of schools.

On one hand, giving an entity like the University of Alaska or Alaska Pacific University the opportunity to be an authorizer could make sense. In fact, we are

engaging in discussions right now about creating an ASD/ UAA partnership around an elementary school.

However, the ability for another authorizer -such as one with less educational expertise-- could pose problems down the road. In 2009, the Center for Research on Education Outcomes (CREDO) based at Stanford University partnered with 15 states to consolidate longitudinal student-level achievement data for the purpose of creating a national pooled analysis of the impact of charter schools on student learning gains. The study found that, "where state legislation provides for multiple charters, there is a significant negative impact on student academic growth."

The success of the charter school is often dependent on the ability of the authorizer to execute a meaningful and sustainable academic program, which is not easy to do. Success also depends on the vision and leadership qualities of the principal, whether they are able to attract and retain excellent teachers, and whether students there best suited for that particular learning style or environment. There is wide disparity in performance between charters, with some charters actually reporting less performance gains than their local public school counterparts.

[9:59:43 AM](#)

MS. VON IMHOF added that she heard earlier today about a charter school wanting to operate as its own district. She expressed significant concern since charter schools are "pseudo-private schools" and Alaska's Constitution does not allow that. Secondly, the districts provide significant support in the form of maintenance, special education, career and technology, English language learners, gifted, as well as information technology (IT), human resources, purchasing, and more. She said the largest cost prohibitory for a charter school is the facility. In response to Representative Reinbold's comments on repurposing, the ASB has been considering ways to assist charter schools. She asked to state the ASD's interest in this regard.

[10:01:38 AM](#)

MS. VON IMHOF continued reading [original punctuation provided]:

One of the concerns from our board is that if public money is going to be used to fund Charter schools, then the publically elected board should have some oversight on the authorization of those charters. The question remains, who will be ultimately responsible if the charter school does not perform well for any reason (financial problems, academic performance).

10:02:20 AM

REPRESENTATIVE REINBOLD offered her belief that funding and control may be the focus rather than in outcomes and parental involvement. She felt that more parental involvement comes from having more choice and "one size certainly doesn't fit all." She pointed out that some public schools aren't serving students well. She cited the NAEP proficiency statistics and said in order to be successful the mold has to be broken and the system must reward success and reduce dropouts.

10:04:03 AM

MICHAEL REHBERG, Member, Academic Policy Committee, Winterberry Charter School, stated that Winterberry Charter School (Winterberry) is one of the newest charter schools, founded in 2005. In 2012, Winterberry moved into a new facility. He said that Winterberry has used BSA allotments to fund the facility and he reported that the school can afford one classroom per grade, an office, and a workroom for faculty. He said that Ms. Eski's previous testimony covered Winterberry's concerns and needs. He suggested that funding a larger increase and predictable annual change to the BSA is what could help charter schools be successful today. He emphasized the importance of the BSA. The school works to keep its number up and currently has 28 students per classroom. He referred to HB 278 and said the mechanism in the bill allows for grants for construction and facility maintenance. He further suggested that it would be helpful to expand this provision and allow funding to be used for purchasing existing facilities.

10:07:12 AM

REPRESENTATIVE SEATON asked for an explanation of the appeals process and the criteria used to forward or deny [charter school applications]. He suggested a process, such that a commissioner

could request additional information from a school board or charter school for further consideration.

CHAIR GATTIS acknowledged it does appear that a hostile environment could be created if the commissioner did not see any reason to deny an application but the district was opposed. She offered her belief that the intent is for charter schools to have a place in the public school system. She supported charter schools being honored in the same way.

COMMISSIONER HANLEY answered that the current appeals process is to ensure clarity at the local level based on facts and findings of law. An appeal could be brought to the commissioner and under HB 278 it could be remanded back to the local school board; the commissioner could agree with the denial; or the commissioner could suggest approval. He reported that denials and approvals subsequently go before the State Board of Education (BOE) for final decision. He anticipated that if both entities have denied the application, it stands to reason that the BOE would uphold that decision. He reiterated that when he reviews appeals, he would be reviewing the decision made at the local level based on facts and findings of law, but other criteria is not spelled out in the bill.

[10:10:52 AM](#)

REPRESENTATIVE SEATON asked whether having the commissioner in the process to request additional information from the district and charter school applicant may be helpful without creating an adversarial situation.

COMMISSIONER HANLEY answered yes; that would be the intent. He said it would take a lot for a commissioner to overturn a local decision.

CHAIR GATTIS theorized her understanding and said the bill appears to allow the school district to perform its due diligence. She could see that the proposed process has merit.

[10:13:36 AM](#)

REPRESENTATIVE LEDOUX expressed concern for the lack of a time limit for local school boards to approve or deny the charter school. She asked what would be reasonable length of time would be reasonable as a cut off.

COMMISSIONER HANLEY deferred to local districts to recommend the length of time for the process.

[10:15:21 AM](#)

CHAIR GATTIS asked whether this is standardized across all districts.

COMMISSIONER HANLEY answered no; there is not a standardized form. The expectation for the charter school structure is done at the local level.

CHAIR GATTIS asked if it would be helpful to have this process standardized since charter schools are often put together by parents.

COMMISSIONER HANLEY responded that it would create a clean, but not necessarily a more effective process to develop the criteria; however, local, elected board members create the vision for their school district. He acknowledged it may be a sloppier approach.

[10:17:14 AM](#)

CHAIR GATTIS asked for further clarification on the process of the paperwork.

MS. MCCAULEY explained that while districts aren't required to use a standardized template for the application for charter schools, one exists and most districts utilize it. Some districts have additional requirements or request additional information. Statute and regulation do not require that any template be used nor criteria that a school district must use to evaluate a charter school application. Most use or modify the template but they don't have to do so.

CHAIR GATTIS related her understanding there is a starting point.

[10:19:02 AM](#)

REPRESENTATIVE LEDOUX returned to the topic of charter schools having to accept a tenured teacher. She asked whether a neighborhood school principal would have the opportunity to accept or not hire a particular teacher.

MS. MCCAULEY answered that the neighborhood schools are directed to hire through the district teacher bargaining unit negotiations, without much principal input, save for new hires.

REPRESENTATIVE LEDOUX asked for further clarification on whether a tenured teacher only speaking English could end up in the Spanish immersion school through union requirements.

MS. MCCAULEY answered she wouldn't take it that far. She recalled earlier testimony with respect to a lack of exemption from transfer requirement, pointing to the language in charter school statutes that clearly states that local negotiated agreement provisions apply; however, charter schools can request an exemption, which are not automatic, but must be agreed to by the charter school, the local association, and district. In response to a question, Ms. McCauley indicated that the local association is the teacher's union.

REPRESENTATIVE LEDOUX asked whether a situation could arise in which a language immersion school may receive a teacher transferred in that doesn't speak the language.

MS. MCCAULEY answered that it could happen.

[10:24:04 AM](#)

COMMISSIONER HANLEY remarked that it is not the intent of the district, the board, or the local association to place teachers in these types of situations. A protection is in place to honor teachers and give them first choice during decreased enrollment instead of selecting new hires, he said, noting hypothetically it could occur although it is no one's intention to do so.

CHAIR GATTIS recalled that this has occurred, which may have been unintended consequences.

[10:24:58 AM](#)

REPRESENTATIVE LEDOUX asked whether the highly qualified teacher requirement applies or if teachers are moved into situations that are not so.

MS. MCCAULEY explained that highly qualified status has certification status which would be considered in reviewing requirements and rights. She related a scenario to illustrate that a teacher certified in physical education could be placed in a language immersion school if the certification requirement

is for physical education but the language consideration is a secondary consideration. Thus, the teacher with the required certification and transfer rights will have met the legal requirements and local negotiated agreements for transferring in to the physical education position in a language immersion school.

[HB 93 and HB 278 were held over.]

[10:26:27 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 10:26 a.m.