

HOUSE FINANCE COMMITTEE
March 4, 2014
8:48 a.m.

8:48:06 AM

CALL TO ORDER

Co-Chair Austerman called the House Finance Committee meeting to order at 8:48 a.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Daniel George, Staff, Representative Bill Stoltze;
Representative Pete Higgins; Les Morse, Deputy
Commissioner, Department of Education and Early
Development.

PRESENT VIA TELECONFERENCE

Mike Coons, Self, Palmer; Mary Nanuwak, Self, Anchorage.

SUMMARY

HB 199 VPSO FIREARMS

HB 199 was REPORTED out of committee with a "do
pass" recommendation and with a new zero fiscal

note from the House Finance Committee for the Department of Public Safety.

HB 220 REPEAL SECONDARY SCHOOL EXIT EXAM

HB 220 was HEARD and HELD in committee for further consideration.

SB 125 REJECT RECOMMENDATION OF COMP. COMMISSION

SB 125 was REPORTED out of committee with a "do pass" recommendation and with previously published zero fiscal note: FN1(ADM).

#hb199

HOUSE BILL NO. 199

"An Act relating to Department of Public Safety regulations allowing village public safety officers to carry firearms."

[8:49:27 AM](#)

DANIEL GEORGE, STAFF, REPRESENTATIVE BILL STOLTZE, explained the new zero fiscal impact note from the House Finance Committee. He explained that the new fiscal note reflected zero operating, no change in revenue noted, and zero fund source changes. The new note replaced the previous note.

[8:51:25 AM](#)

Co-Chair Austerman solicited public testimony. There being none public testimony was CLOSED.

[8:52:31 AM](#)

Vice-Chair Neuman MOVED to REPORT HB 199 out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 199 was REPORTED out of committee with a "do pass" recommendation and with a new zero fiscal note from the House Finance Committee for the Department of Public Safety.

[8:53:00 AM](#)

AT EASE

[8:54:20 AM](#)

RECONVENED

#hb220

HOUSE BILL NO. 220

"An Act repealing the secondary student competency examination and related requirements; and providing for an effective date."

[8:54:54 AM](#)

REPRESENTATIVE PETE HIGGINS, summarized the sponsor statement:

CS HB 220 is up for consideration this session. This legislation repeals the secondary student competency examination and related reporting requirements for these exams as required by AS.14.03.075 and AS 14.07.165(5).

The repeal of High School Qualifying Exam (HSGQE) or "Exit Exam" is a step forward in the process to reform our Alaska education system. This hurdle was created to measure student achievement followed by federal pressure created with No Child Left Behind Act of 2001.

This legislation equates to a savings of approximately 2.7 million for the State of Alaska that can be put to better use for the education of our children.

To continue to fund these exams no longer makes fiscal sense for our state and most importantly for our children.

The Committee Substitute for HB 220 28-LS0947\ U Inserts the language

TRANSITION: STUDENT TESTING IN PROGRESS.

Until June 30, 2017, a school district shall continue to administer the competency examination for a student who seeks to qualify for a secondary school diploma.

This provides fairness for students who are in transition.

[8:57:34 AM](#)

Co-Chair Stoltze noted that the legislation would save the state \$1.4 million for the next fiscal year, and not \$2.7 million. Representative Higgins clarified that the state would fulfill the contract for the last time in 2015.

[8:58:18 AM](#)

Representative Wilson asked why the program was not ending in the 2014 school year. Representative Higgins understood that the contract was good until 2015 and it would be better to honor the original contract than to spend time and money on new contract negotiations.

Representative Higgins assured the committee that the test would end in the 2014 school year. Students that had failed the test would have the opportunity to take the test through 2015 in order to receive their high school diploma.

[9:00:18 AM](#)

LES MORSE, DEPUTY COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, introduced himself.

[9:00:34 AM](#)

Representative Gara asked whether students who would graduate by 2015 would still be required to take the exam. Representative Higgins explained that if the student were graduating in 2014, and could not pass the exam, they would still receive a certificate of achievement. He said that if a student still wanted receive their high school diploma they would have the opportunity to retake the test in 2015, when the test would still be offered but not required.

[9:01:58 AM](#)

Representative Gara asked why the students that did not pass the exam in 2014 would need to retake it in 2015 in order to receive a diploma. Representative Higgins responded that attorneys for the state had decided that the cleanest way to phase out the test would be to allow every student the opportunity to pass the standard and be done with it.

[9:03:23 AM](#)

9:03:45 AM

Representative Holmes asked if the idea of continuing through to 2015 stemmed from that by the time the bill went into effect the 2014 school year would already be over. She asked whether students who had failed the exam during the entire existence of the program would have the opportunity to retake the test.

Representative Higgins shared that the whole purpose behind allowing the test to phase out through 2015 was to give students the opportunity to retake the test. He added that there was a possibility that the bill could make it to the governor's desk before the 2014 school year ended, but that it was unlikely.

9:06:05 AM

Mr. Morse spoke to the exit ramp and how it affected the fiscal note. He explained that the note indicated the total current cost of the exam was \$2.7 million. He stated that there would be a savings of \$1.4 million in 2015 because the contract would be reduced by the removal of every component given to current sitting students; the only students that would participate in any testing in 2015 would be those who held a certificate of achievement. He furthered that the certificate meant that the student had met all of the local requirements but had not met the graduation requirement in total because the high school graduation qualifying exam was also a requirement. He said that after the 2014 school year there would be approximately 2,372 people with certificates of achievement who had not returned to earn a diploma; 591 had returned and successfully taken the test. He relayed that the transition language offered those students who had not passed the exam the opportunity to try again. He reiterated that the saving in year 1 would be \$1.4 million and then \$2.7 million in FY16.

9:08:22 AM

Representative Costello queried the tests that were currently conducted on high school students. Mr. Morse responded that there were standard based assessments conducted in ninth and tenth grade. In eleventh grade, there was the Work Keys assessment. He said that there were subpopulations of students that took other tests.

[9:09:23 AM](#)

Representative Costello asked how long it took to administer the exit exam. Mr. Morse replied that it was a 3 day exam, testing approximately 2 hours per day.

[9:09:46 AM](#)

Representative Costello asked whether not having to teach to the test would open up classroom time for teachers to spend time on other lessons plans. Mr. Morse responded that the legislation would add to more instructional time.

[9:10:48 AM](#)

Representative Costello shared the concern that high school graduates were not entering the work force with a strong work ethic. She wondered if those skills could be taught in the classroom. Mr. Morse said that the department sought districts that were successfully implementing work ethic lessons into their programs and asked those districts to help teach their peer districts. He said that the department worked to network together districts that were working on the issue.

Representative Costello asked if the department had considered videotaping the opportunities and putting them online for other districts to access. Mr. Morse said yes.

[9:13:38 AM](#)

Representative Wilson asked how long a student who had failed the test had left to retake the test. Mr. Morse replied that the student would have another opportunity in fall of 2014 and spring of 2015.

[9:14:27 AM](#)

Representative Wilson asked how many opportunities were available currently. Mr. Morse said that under the current system the student could take the test as many times as they needed to as long as they held a certificate of achievement.

[9:15:06 AM](#)

Representative Wilson wondered how the \$1.4 million reflected on the fiscal note had been determined. Mr. Morse said that the \$1.4 million came from working with the contractor. He said that the figure reflected the fixed cost of the scanners and scorers. He said that the number of students testing would not change the fiscal note because most of the \$1.4 million was for fixed costs.

[9:16:26 AM](#)

Representative Wilson wondered if money could be saved by allowing students to get the General Education Development exam (GED) instead of retaking the exit exam. Mr. Morse shared that students had prepared for the exit exam and not the GED, which could present a challenge. He furthered that the Department of Labor and Workforce Development had indicated that the GED was not an inappropriate test to use for the purpose of an exit exam.

[9:17:50 AM](#)

Representative Wilson queried the difference between the two tests. Representative Higgins understood that the GED did not qualify for an assessment for a high school diploma because it was administered through a different department. He asserted that the legislature did not have the authority to change which department administered the test.

[9:18:31 AM](#)

Representative Wilson believed that the legislature could make a policy change in the bill. Representative Higgins felt that the bill offered a fair compromise and would save having to change laws and statutes.

[9:19:39 AM](#)

Representative Guttenberg thought that the test could be eliminated, and letters could be sent to all of the students that had not passed it letting them know that they qualified for a high school diploma, and a diploma would be included in the letter.

[9:20:32 AM](#)

Representative Guttenberg thought that this would be a simpler alternative that would bring closure for students.

He believed that if the state no longer held to the standard it did not make sense for the student to be required to meet it.

[9:20:59 AM](#)

Co-Chair Stoltze wondered whether students who had not passed the test in the past would receive diplomas retroactively.

[9:21:08 AM](#)

Representative Higgins said that the exit exam was a firewall for the military; the military did not accept certificates of achievement. He furthered that some trade schools did not accept certificates of achievement. He shared that if diplomas were given retroactively there could be legal repercussions. He stressed that the objective of the bill was to assure that everyone had an equal opportunity.

[9:23:20 AM](#)

Representative Guttenberg asked what students would need in order to qualify for a high school diploma. Representative Higgins responded that the student would receive their high school diploma if they met the standards set by the state.

[9:23:40 AM](#)

Representative Guttenberg surmised that currently, all the state standards could be met, but if the student did not pass the exit exam they would not receive a diploma. He understood that under the bill, if a student passed all of the state standards they would receive a diploma. Representative Higgins replied in the affirmative.

[9:24:12 AM](#)

Representative Guttenberg reiterated that all of the students who had qualified under the state standards up until now, but had not passed the exit exam, should be issued a diploma retroactively.

Representative Higgins thought that there had been disagreement in terms of the value of the test. He proposed to the committee the idea that the test had added value for

the years that it had been issued, that curriculums in each district had been changed to make sure that low performing students met a standard; if diplomas were to retroactively be provided to all of the student that had failed the test then the value of the law that existed would be negated, as well as the work that students who had passed the test had done. He said that the administration was in favor of some transition language that would allow the past law to retain value for the time it existed, and that an opportunity could be provided for those former students with the certificate of achievement to receive the full diploma.

[9:26:44 AM](#)

Mr. Morse added that the reason he had fought the exit exam for many years was because he believed that it should not be tied to a high school diploma.

Representative Guttenberg surmised that there was a finite group of people that could retake the exam. Mr. Morse clarified that there were 2,372 people, not including the class of 2014, who could retake the test.

[9:27:39 AM](#)

Co-Chair Stoltze queried the current status of the contract. Mr. Morse responded that it was a yearly renewable contract, negotiated on July 1 of each year. He said that the contract could be renewed through 2015 without going through the procurement process.

[9:28:12 AM](#)

Co-Chair Stoltze wondered whether there the state had a financial obligation to the contract with the September 1 effective date. Mr. Morse replied that the only obligation would be what was necessary in law.

[9:29:13 AM](#)

Representative Munoz wondered how the 2,372 Alaskans would be contacted concerning retaking the test. Mr. Morse responded that the department would work with the districts that had the actual contact information. He added that there would be public notices and advertising.

[9:29:53 AM](#)

Representative Munoz wondered if the fiscal note reflected that outreach effort. Mr. Morse responded that the department would be able to absorb the costs.

[9:30:33 AM](#)

Representative Gara asked why the transition language was necessary.

[9:31:18 AM](#)

Mr. Morse stressed that the administration believed that transition language related to good policy.

[9:32:06 AM](#)

MIKE COONS, SELF, PALMER (via teleconference), testified against the legislation. He expressed confusion about the fiscal note. He spoke of testimony on the bill from other committees.

[9:36:52 AM](#)

MARY NANUWAK, SELF, ANCHORAGE (via teleconference), testified in opposition to the legislation. She expressed disappointment with the way that education dollars were allocated within districts.

[9:41:58 AM](#)

Co-Chair Stoltze CLOSED public testimony.

HB 220 was HEARD and HELD in committee for further consideration.

[9:42:41 AM](#)

AT EASE

[9:44:25 AM](#)

RECONVENED

#sb125

SENATE BILL NO. 125

"An Act disapproving all recommendations of the State Officers Compensation Commission relating to the

salaries of state officers; and providing for an effective date."

[9:44:42 AM](#)

Co-Chair Stoltze announced that the bill would prevent the spending of state dollars for pay increases to the governor, lt. governor and salary department heads.

[9:44:58 AM](#)

Representative Costello requested that page 3 of the fiscal note be posted in color online so that the chart could be more easily understood.

[9:45:23 AM](#)

Co-Chair Stoltze directed his staff to do so.

[9:45:35 AM](#)

Vice-Chair Neuman MOVED to REPORT SB 125 out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SB 125 was REPORTED out of committee with a "do pass" recommendation and with previously published zero fiscal note: FN1 (ADM).

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ADJOURNMENT

[9:46:45 AM](#)

The meeting was adjourned at 9:46 a.m.