

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

January 30, 2013

8:03 a.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Mike Dunleavy, Vice Chair
Senator Charlie Huggins
Senator Berta Gardner

MEMBERS ABSENT

Senator Bert Stedman

COMMITTEE CALENDAR

SENATE BILL NO. 17

"An Act extending the special education service agency; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 17

SHORT TITLE: EXTEND SPECIAL EDUCATION SERVICE AGENCY

SPONSOR(s): SENATOR(s) STEVENS

01/16/13	(S)	READ THE FIRST TIME - REFERRALS
01/16/13	(S)	EDC, FIN
01/23/13	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)
01/23/13	(S)	Heard & Held
01/23/13	(S)	MINUTE(EDC)
01/30/13	(S)	EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

PATRICK PILLAI, Executive Director
Special Education Service Agency
Anchorage, Alaska

POSITION STATEMENT: Provided supportive testimony for SB 17.

ELIZABETH NUDELMAN, Director
School Finance
Department of Education and Early Development

Juneau, Alaska

POSITION STATEMENT: Provided supportive testimony for the Special Education Service Agency.

ERIC GEBHART, Director
Board of Directors
Special Education Service Agency
Anchorage, Alaska

POSITION STATEMENT: Provided supportive testimony for SB 17.

ACTION NARRATIVE

[8:03:14 AM](#)

CHAIR GARY STEVENS called the Senate Education Standing Committee meeting to order at 8:03 a.m. Present at the call to order were Senators Huggins, Gardner, Vice Chair Dunleavy, and Chair Stevens.

SB 17-EXTEND SPECIAL EDUCATION SERVICE AGENCY

CHAIR STEVENS announced the consideration of SB 17 and noted that the committee substitute (CS) that was on members' desks could be adopted at the next meeting. The intention today was to further discuss the bill.

[8:03:45 AM](#)

PATRICK PILLAI, Executive Director, Special Education Service Agency (SESA), said SESA's mission statement captured the legislative intent of services that SESA was tasked to provide. He said SESA tasks were as follows:

- A. Itinerant outreach services to students with Low Incidence Disabilities (LID). LID is defined as disability occurring in less than one percent of the total statewide K-12 enrollment.
- B. Instructional support and training of special education personnel and primarily that is the teachers, paraprofessionals, and parents.
- C. Services appropriate to special education and that include creation of, for example, E-Modules of the 13 categories of special education for the Department of Education and Early Development (DEED) website.

MR. PILLAI said SESA's legislative intent was connected to federal law. He explained that according to the session

laws of Alaska, the Alaska Legislature created SESA to do the following:

1. Make more special education and related services available to students with LID.
2. Encourage communities of practice between districts with respect to low incidence disabilities.
3. Make available a qualified specialist to school districts to ensure free and appropriate education to students with low incidence disabilities without regard to their location in the state.

MR. PILLAI said SESA funding was as follows:

- Flat-funded for the past 14 years.
- Not linked to Base Student Allocation (BSA).
- Has not received funding increases received by school districts.

He said SESA was funded through legislative appropriation and followed the legislative process in seeking an increase to funding. He noted that SESA was currently seeking an increase in funding.

He said the Division of Legislative Audit (DLA) Report calculated the following:

- 36 percent depreciation of SESA's funding due to impact of inflation. The adjustment addresses inflation from 1998 to 2013 and does not factor inflation from 2014 to 2021.
- Retention of staff has been severely impacted. Specialists have rolled over contracts three times without increases.
- Staff has 70 percent dependent-coverage medical insurance, but 30 percent out-of-pocket for a family of four was about \$800, which makes it very difficult to recruit.

He addressed the recommendation from DLA relating to increased SESA funding. He said current funding was \$15.75 [for each student based upon Average Daily membership (ADM)] and an increase would address inflation's impact for the past 14 years. He stated that the recommended funding was \$21.50 [per student],

an increase of \$5.67. He said the reasons for SESA's funding increase were as follows:

- To fulfill the intent of the legislature and the mandate of 2004 idea.
- To provide competitive salaries to attract and retain qualified specialists.
- To continue providing qualified services for children with LID.
- To maintain a consistent infrastructure despite short term or discontinued grant funding cycles.

8:08:08 AM

MR. PILLAI addressed SESA's funding based upon ADM versus SESA's LID student count as follows:

- ADM enrollment has declined between 2001 and 2013 which impacted SESA funding.
- LID student counts have increased between 2001 and 2013.
- Increasing LID students meant increased expectations of service from school districts. When combined with a shortage of special education teachers and many new special education directors to the state, we have a greater demand for guidance, support, and training.

SENATOR GARDNER addressed the decrease in ADM students and the increase in LID students. She asked if SESA had shifted its services and were less LID students being served.

MR. PILLAI replied that SESA was receiving a greater number of referrals from school districts. He noted that part of the reason was due to the rising numbers of students with autism and multiple disabilities. He said SESA served 180 LID students in 2001 and 266 LID students in 2013.

He reviewed the impact from declining ADM on SESA's LID funding from 2004 to 2013 as follows:

- SESA lost \$212,847 between 2004 and 2013.
- SESA experienced inflation while being flat-funded.

He said SESA had to do more with less funding due to ADM fluctuations and LID student population increases.

MR. PILLAI addressed SESA's flat-funding in comparison to the Consumer Price Index (CPI) and BSA increases as followings:

- CPI increased 36 percent from 2000 to 2012.
- BSA increased 45 percent from 2000 to 2012.

8:10:57 AM

He said actual SESA funding was declining while LID student counts continued to increase.

He addressed LID cost of operations versus fund balances and grant expenditures. He said SESA lost two grants in 2011 and 2012: Early Intervention for Vision (EIV) Grant and the Early Intervention for Hearing Impairment (EIHI) Grant. He explained that SESA held the EIV Grant for 20 years and the EIHI Grant for eight years. He said the Alaska Autism Resource Center (AARC) lost \$84,000 in funding and SESA closed their Fairbanks satellite office in response. He noted that AARC's funding cut occurred mid-year while services were promised to school districts. He said SESA's Board of Directors decided not to cut back the promised services and noted that SESA absorbed an overage of \$15,000 in costs.

He said under-spending and reducing specialists to create a fund balance was a double-edged sword. He said SESA was unable to meet district demands for service and their SESA recruit specialists burn-out.

8:13:09 AM

SENATOR GARDNER asked what caused the loss of mid-year autism funding.

MR. PILLAI answered that the Department of Health and Social Services (DHSS) had anticipated federal funding that did not come in. He noted that AARC received different revenue streams from the Mental Health Trust, Department of Education and Early Development (DEED), and DHSS.

He addressed SESA's challenge with operations planning and grants applications. He explained that SESA planned operations after their initial grant submission and actual awards were typically less than the initial request. He said the process was a moving target in terms of issuing contracts prior to knowing what the grant awards were and added funding would allow SESA to absorb the grant disparity.

MR. PILLAI said adequate funding would allow SESA to meet legislative intent for a free and appropriate public education to LID students. He explained that the current funding structure was insufficient in order to provide school districts with requested LID services. He noted that recruiting was adversely impacted by the program's sunset uncertainty and its inability to offer competitive health care packages to specialists. He said quality applicants were lost to the Anchorage School District (ASD) due to their ability to offer salaries that were 15 percent higher with full health coverage.

8:16:52 AM

He said the impact of continued under-funding to teachers, aides and parents was as follows:

1. Reduced ability to promote evidenced based practices.
2. Fewer on-site visits to provide targeted interventions, especially with the LID population.
3. Shorter visits to maximize travel dollars to include more sites.
4. Less time for classroom observation and program enhancement.
5. Loss of guidance to new special education teachers and to classroom teachers encountering unique disabilities.
6. Loss of child specific educational intervention strategies modeled on-site to teachers. For many of the teacher aides and paraprofessionals without formal, college, or graduate education, the best way of showing them how to work with a child is to demonstrate onsite. Just lecturing or providing reports did not help very much.
7. Reduced ability to recruit and retain quality specialists.

He said not reauthorizing or under-funding SESA would remove a state resource in providing services for LID students.

8:19:10 AM

SENATOR HUGGINS asked if SESA was unique to Alaska or an extension of a national or international program.

MR. PILLAI answered that each state had an organization similar to SESA. He said SESA was responsible for the professional

development and training of special education teachers and paraprofessionals.

SENATOR HUGGINS asked what states were similar to Alaska's SESA program.

MR. PILLAI responded that most states had a rural component in terms of training teachers and paraprofessionals. He said Hawaii was similar to Alaska in terms of plane and boat travel.

SENATOR HUGGINS asked if there were Alaska schools without special education capabilities and an individual that was professionally trained.

[8:22:09 AM](#)

MR. PILLAI responded that every site had a special education teacher. He explained that many rural special education teachers and aides lacked the skill-set necessary to provide a wide spectrum of onsite assistance to LID students. He noted that school districts that lacked the funds to train their special education teachers brought SESA in for LID training and certification assistance.

[8:24:18 AM](#)

SENATOR HUGGINS asked to confirm that SESA served 260 LID students in 2013.

MR. PILLAI answered correct.

SENATOR HUGGINS asked about LID student distribution and the number of LID groups that were served at the same location.

MR. PILLAI replied that [LID student] distribution varied from site to site. He noted that SESA was created to initially serve what was called the Rural Attendance Areas. He said since the inception of SESA, major areas were also being served. He disclosed that SESA recently trained 269 paraprofessionals in the MATSU School District. He said on the other end of the school spectrum was the Bering Straits School District which required SESA's [individual LID student] assistance due to their large geographic area. He addressed the Petersburg School District that had a large number of children with autism and SESA responded by training the entire [special education] staff rather than providing itinerant services to each LID student. He summarized that LID student grouping could fluctuate from one to twenty in a particular district. He noted that LID student

grouping was dependent on a school district's isolation and size.

[8:26:12 AM](#)

SENATOR HUGGINS addressed technology and the ability to provide distance training without having to travel to a location. He asked if SESA considered electronically delivering LID student services.

MR. PILLAI responded that there was definitely a place for technology and SESA was moving in the direction of distance education. He said SESA used video teleconferencing and SKYPE. He explained that SESA services were dependent on student disability levels. He noted that some students might not initially be able to use technology, but could transition to technology use at a later date.

[8:30:56 AM](#)

SENATOR HUGGINS addressed the SESA report on geographical distribution of LID students served. He noted that SESA served four LID students in Anchorage versus 19 LID students in Ketchikan. He asked why there was such a disparity when a larger [population base] received less SESA assistance.

MR. PILLAI replied that ASD had their own personnel to handle special education needs. He noted that ASD did not have the deaf-blind expertise required for four LSD students and SESA assigned a specialist to provide assistance. He pointed out that the 269 paraprofessionals trained in the MATSU School District would be reported as training and not as itinerant services.

SENATOR HUGGINS responded that he did not understand Mr. Pillai's explanation when five times as many students were served in Anchorage versus Ketchikan with both school districts receiving the same BSA. He explained that he was not picking on Ketchikan, but he asked why there was a major SESA disparity between Anchorage and Ketchikan.

MR. PILLAI replied that ASC had a wider range of special education specialists while Ketchikan did not.

[8:33:49 AM](#)

SENATOR DUNLEAVY asked to verify that SESA provided services for teachers and paraprofessionals.

MR. PILLAI answered yes.

SENATOR DUNLEAVY asked if SESA ever trained and worked with parents.

MR. PILLAI answered yes. He said parents were brought in during the training and the LID strategies were transferred between the school and the home.

SENATOR DUNLEAVY asked if there was anything in statute or SESA's mission that would prevent direct parental training.

MR. PILLAI responded that he did not think so. He said the statute talked about itinerant services, professional development, professional training, and other services as appropriate. He noted that a parent was always part of the itinerant training team and he did not see anything that would prevent SESA from training the parent directly.

SENATOR DUNLEAVY described an example of a child in a public school that had to be taken out of school but still required [special education] services. He asked if SESA would be able to work with the parent noted in his example.

MR. PILLAI stated that he thought SESA would be able to work with the parent. He said SESA would be able to provide parental training with adequate funding and SESA Board of Directors' approval. He noted that there was nothing in the statute that prevented SESA from directly training parents.

SENATOR DUNLEAVY asked what state would have a model program similar to SESA.

MR. PILLAI replied that Hawaii does. He explained that Hawaii extended services to the Marshall Islands. He said Vermont was another state that had a program similar to SESA.

8:36:10 AM

SENATOR GARDNER addressed the linkage between the availability of qualified special education teachers and the need for SESA services. She noted that Alaska changed its statutes to allow teachers to take their special education certification off of their license so that they could not be transferred to a special education classroom that they did not want. She asked if school districts were generally able to hire as many special education teachers as they required and if SESA assistance would diminish if the trained special education teachers' pool was increased at school districts.

MR. PILLAI answered that there was a national shortage of special education teachers and noted that Alaska had many unfilled special education positions. He mentioned that some teachers did not show a special education endorsement on their teaching certificate to avoid stress, paperwork demands, and first time disability encounters. He said there was a recent survey that showed 78 percent of Alaska's special education teachers thought they were not adequately prepared due to the vast demands of the field. He explained that Alaska had the waiver program that allowed general education teachers to enter special education after taking some course work and there was a demand for SESA to provide training.

[8:39:43 AM](#)

SENATOR GARDNER asked what percentage of students served by SESA received high school diplomas.

MR. PILLAI replied that 68 percent of SESA's caseload was intensive. He said it was hard to guess an exact number due to the individual disabilities of each student.

SENATOR DUNLEAVY asked if SESA ever had a direct relationship with a student's [Individual Learning Plan] (ILP).

MR. PILLAI answered no. He noted that the EIV and EIHI grants had allowed SESA specialists to provide direct services to elevate the skill level of the parent and support the onsite ILP provider.

CHAIR STEVENS asked that the Department of Education and Early Development (DEED) come forward and testify. He said the lines drawn between SESA, DEED, and the school districts were vague to him. He asked what would happen if SESA was to sunset and the impact it would have on school districts and DEED. He stated that SESA's funding was channeled through DEED with limitations on strictly passing the funds along.

[8:43:15 AM](#)

ELIZABETH NUDELMAN, Director, School Finance, Department of Education and Early Development, responded that DEED supported SESA. She said SESA provided a statewide capacity to step in and fill the gaps when services were needed. She referenced Mr. Pillai's point that services were required on an "as needed" basis and SESA had the specialists onboard to fill in the needs. She noted that Mr. Pillai referenced efficiencies in that not every district was going to have every specialist needed from one year to the next. She said smaller districts were able to

reach out to SESA and ask for some special services to help them with their cohort of students for a particular year. She stated that DEED would not know who would fill the void if SESA was not there to send specialists to a district that was servicing their first LID student in five years.

[8:45:24 AM](#)

SENATOR HUGGINS asked why SESA was not part of DEED. He addressed DEED's approach on handling supplementary-programs beyond SESA.

MS. NUDELMAN answered that there could be various DEED diagrams of where to place supplementary-services. She stated that she did not know how SESA was split between HSS and DEED. She explained that SESA was a link to a set of services and DEED had the link to the school districts. She said it made sense to her that DEED had some oversight and interaction with SESA. She explained that SESA's funding was derived through the education budget. She noted that funding could be done differently, but the current system was working in the way that it was meant to have DEED provide funding out to SESA. She said DEED reviewed SESA's budget and annual audit. She noted that DEED's Director of Special Education was a member of SESA's oversight committee.

[8:48:02 AM](#)

SENATOR HUGGINS stated that funding variables and capability demands was addressed in the past. He noted that Juneau's school district had the highest per capita requirement for children's services. He pointed out that Juneau only had three people that were having assistance from SESA and asked what allowed Juneau to reduce their demand.

MS. NUDELMAN said SESA's mission was more towards serving smaller communities without a special education specialist that a larger community would have. She noted that a school district may not have seen a specific disability for five years and SESA would be able to provide specialist assistance to the existing special education teacher. She said Juneau's population allowed for economies of scale and the school district retained special education teachers that could address LID students with a wider range of disabilities.

[8:50:45 AM](#)

SENATOR HUGGINS addressed the disparities between Ketchikan and Juneau. He asked how Ketchikan could have a demand from SESA for 19 students and Juneau had only a demand for three students.

MS. NUDELMAN replied that SESA's expectation was to serve communities with smaller enrollments that did not have specialists. She said given SESA's small community model, it was not surprising that SESA did not serve as many students in larger communities.

SENATOR HUGGINS asked if the committee would be able to receive information on the number of special education teachers and students served in Juneau and Ketchikan.

8:53:03 AM

CHAIR STEVENS inquired how school districts decided on the number of special education teachers to hire and budget for. He said if he were a superintendent, consideration would be given for additional SESA support when assistance does not impact a district's budget. He asked if SESA charged a district for their services.

MS. NUDELMAN answered that SESA's services were not charged back to the districts. She said the districts used their funding for hiring special education teachers and one-on-one aides. She said with unique LID students, SESA would be called in to provide additional support and training.

8:55:27 AM

CHAIR STEVENS pointed out the disparity between SESA services provided to Ketchikan versus communities of similar size. He addressed the compensation difference between special education teachers in school districts and SESA specialists. He asked if more was spent on special education teachers in districts or at SESA.

MR. PILLAI answered that less was spent on SESA specialists because school district employees received full medical benefits and salary increases. He said SESA recruited specialists with extended experience in specific areas and it was imperative that the specialists knew more than the classroom teachers.

8:57:56 AM

CHAIR STEVENS addressed the proposed increase in SESA funding from \$15.75 to \$21.50. He asked if SESA's goal was to be more competitive and to bring the compensation for SESA teachers up to the school districts' level.

MR. PILLAI answered yes. He said the two main ones were salary increases and benefit coverage. He said a funding increase would make it equitable and SESA would be viewed as an organization

that specialists could stay with for a long time. He pointed out that it was not fair that time-of-employment and unused sick days were not recognized when SESA employees were hired by school districts.

[8:59:37 AM](#)

CHAIR STEVENS stated that DEED could oversee SESA in different ways, but the same goals would have to be accomplished. He said the current system worked and it may be best for DEED to continue doing the job they were doing.

MS. NUDELMAN replied that Chair Stevens' statement was a reasonable conclusion.

SENATOR HUGGINS commented that SESA's staff should be considered to be "super special-education qualified" people.

MR. PILLAI replied correct. He said one of the greatest benefits that SESA specialists had was their interaction and exposure to multiple classrooms and schools. He noted that interacting with parents was also a source of acquiring knowledge. He explained that SESA specialists share their acquired knowledge with other special education teachers. He said one of the legislature's goals was to create cooperation in special education between districts.

[9:02:39 AM](#)

SENATOR HUGGINS asked if SESA had staff members that were retiree rehires. He addressed the possibilities of leveraging teacher-mentor relationships.

MR. PILLAI answered that SESA had "burnt their fingers" doing some retiree rehires and his response was not intended to be a blanket statement. He noted that SESA specialists had a high degree of travel, slept on floors, and traveled in very cold conditions. He said new hires could burnout quickly if they did not enjoy what they were doing. He explained that due to SESA's flat-funding, there were two main groups of applicants: new graduates and retirees who wanted to see Alaska. He said the new graduates did not have the experience to know more than the special education teachers they were meant to assist. He said the out-of-state retirees had great resumes, but some started in August and checked out in January to leave at the end of the year.

[9:05:10 AM](#)

ERIC GEBHART, Director, Board of Directors, Special Education Service Agency, addressed the distribution of SESA specialist throughout the state. He said sending a SESA specialist to a particular school district was based upon the comparison between the in-place experts and the need that was in-place. He noted that a district's cadre of special education teachers changed and the need for SESA assistance changed. He explained that SESA assistance was based upon a district's special education staff's expertise and not on the number of LID students.

[9:09:03 AM](#)

SENATOR HUGGINS asked about the demands from home schooling in an area like MATSU and how to get in touch with SESA for services. He noted that he was a home school parent and there were a bunch of them. He said disabled students were also at home schools.

MR. GEBHART replied that a disabled home school student would have to be affiliated with a statewide program.

SENATOR HUGGINS asked how many home school students and parents were receiving SESA services.

MR. GEBHART answered that he did know.

MR. PILLAI replied that he did not know, but was aware of children who were medically fragile at home. He said he was not aware of requests from home school parents for SESA services.

MR. GEBHART addressed SESA salaries and contracts. He said every school district, as well as SESA, negotiated their own individual contracts. He noted that not all of the districts provided 100 percent healthcare coverage. He said the Association of Alaska School Boards (AASB) conducted an annual salary survey that every district received and the survey was available to the legislature to review. He explained that SESA was based out of Anchorage and ASD was used as the best comparison.

[9:12:11 AM](#)

CHAIR STEVENS asked to verify that SESA's [employee compensation] was not quite competitive and their teachers were not receiving the same benefit package that special education teachers were receiving in school districts. He explained that the committee should look at funding to allow SESA to be more competitive.

MR. GEBHART replied yes, at least in Anchorage. He said he was not familiar with every district in the state. He noted that districts did their own negotiations and it varied from place to place.

SENATOR HUGGINS asked if SESA received any reimbursements from school districts.

MR. GEBHART answered no. He said it was part of the statute that SESA provided their services free to school districts.

MR. PILLAI confirmed that SESA provided their services free to school districts.

CHAIR STEVENS said the proposed CS in the packets removes language without the losing anything. [SB 17 was held in committee.]

[9:14:26 AM](#)

There being no further business to come before the Senate Education Committee, Chair Stevens adjourned the meeting at 9:14 a.m.