

**ALASKA STATE LEGISLATURE**  
**SENATE EDUCATION STANDING COMMITTEE**

February 10, 2014  
8:02 a.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 107

"An Act relating to school and school district accountability; relating to the duties of the Department of Education and Early Development; and establishing a reading program for public school students enrolled in grades kindergarten through three."

- HEARD & HELD

SENATE BILL NO. 139

"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: SB 107

SHORT TITLE: ESTABLISH K THROUGH 3 READING PROGRAM

SPONSOR(s): SENATOR(s) STEVENS

01/22/14 (S) PREFILE RELEASED 1/10/14  
01/22/14 (S) READ THE FIRST TIME - REFERRALS  
01/22/14 (S) EDC, FIN  
01/29/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)  
01/29/14 (S) Heard & Held  
01/29/14 (S) MINUTE(EDC)  
02/10/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)

BILL: SB 139

SHORT TITLE: EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/24/14 (S) READ THE FIRST TIME - REFERRALS  
01/24/14 (S) EDC, FIN  
02/03/14 (S) EDC AT 8:00 AM CAPITOL 106  
02/03/14 (S) Heard & Held  
02/03/14 (S) MINUTE(EDC)  
02/10/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

TIM LAMKIN, Staff  
Senator Gary Stevens  
Alaska State Legislature,  
Juneau, Alaska

**POSITION STATEMENT:** Presented information on SB 107 on behalf of the sponsor, and presented information on SB 139.

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

**POSITION STATEMENT:** Answered questions related to SB 107 and SB 139.

SUSAN MCCAULEY, Ph.D., Director  
Teaching and Learning Support  
Department of Education & Early Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions related to SB 107.

POSIE BOGGS, representing herself  
Anchorage, Alaska

**POSITION STATEMENT:** Testified on SB 107.

MIKE COONS, representing himself  
Palmer, Alaska

**POSITION STATEMENT:** Testified against testing aspects of SB 139.

MARK SUMERVILLE, Board Member  
Copper River School Board  
Kenny Lake, Alaska

**POSITION STATEMENT:** Testified in support of SB 139.

SAMUEL SINAU, Student  
Copper River School  
Kenny Lake, Alaska

**POSITION STATEMENT:** Testified on SB 139.

KEVIN SHIPLEY, Superintendent  
Kake School District  
Kake, Alaska

**POSITION STATEMENT:** Testified on SB 139.

BRANDI BOCATCH, Student  
Dillingham High School  
Dillingham, Alaska

**POSITION STATEMENT:** Testified on SB 139.

PETER HOEPFNER, Board President  
Cordova School Board  
Cordova, Alaska

**POSITION STATEMENT:** Testified on SB 139.

#### **ACTION NARRATIVE**

[8:02:28 AM](#)

**CHAIR GARY STEVENS** called the Senate Education Standing Committee meeting to order at 8:02 a.m. Present at the call to order were Senators Gardner, Stedman, Huggins, and Chair Stevens. Senator Dunleavy arrived shortly thereafter.

#### **SB 107-ESTABLISH K THROUGH 3 READING PROGRAM**

[8:04:33 AM](#)

**CHAIR STEVENS** announced that the first order of business would be SB 107. He noted the arrival of Senator Dunleavy.

**TIM LAMKIN**, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, presented information on SB 107 on

behalf of the sponsor. He noted it was the second hearing of SB 107. He said he has been working with DEED to make several changes to the bill. He added that he is hoping to receive comments from school districts and school boards.

[8:05:44 AM](#)

MIKE HANLEY, Commissioner, Department of Education and Early Development (DEED), Juneau, Alaska, answered questions related to SB 107.

SUSAN MCCAULEY, Ph.D., Director, Teaching and Learning Support, Department of Education & Early Development, Juneau, Alaska, answered questions related to SB 107. She said that the focus of the discussion between the sponsor and the department is on page 2, lines 19 - 21 of the bill, seeking to find clarity regarding kinds of assessments required, and to define "instructional practices" and "staff development." This section requires those three things to be approved by the State Board of Education. Further on in the bill, districts are required to use practices, programs, and assessments as approved by the State Board of Education.

[8:07:21 AM](#)

CHAIR STEVENS asked how many districts are already doing this.

DR. MCCAULEY replied that the department has not specifically collected that data, but said her impressions are that the larger districts have these practices in place already and many smaller districts do, as well. She said all districts must have a screening assessment as of this coming fall. Diagnostic assessments are specifically mentioned in SB 139. She said it was her impression that many districts already use diagnostic assessments. Regarding a reading plan for students having difficulty, however, there is more variability across the state.

[8:09:28 AM](#)

POSIE BOGGS, representing herself, Anchorage, Alaska, testified on SB 107. She shared a personal story about one of her children's difficulties with the district's reading program. She said she was testifying on behalf of two non-profit entities. She maintained that SB 107 and SB 139 are related.

CHAIR STEVENS suggested the focus remain on SB 107.

MS. BOGGS continued to say that in the minutes of January 29, it was stated that SB 107 is closely related to the READ Act in Colorado. She pointed out that READ focuses on students with

significant reading deficiencies and SB 107 excludes, on page 7, line 29, those students with an IEP. The READ Act also distributed funds for a resource bank of assessments, instructional programing, and professional development. It awarded Literacy How a professional development contract. She requested that the committee consider why professional development in literacy instruction is needed. She stressed that all teachers be trained and prepared to teach reading, and that the legislature provide support for teacher training.

CHAIR STEVENS thanked Ms. Boggs for her testimony. He agreed that professional development was important.

SB 107 was held in committee pending input from districts and superintendents.

### **SB 139-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS**

[8:14:24 AM](#)

CHAIR STEVENS announced that the next order of business would be SB 139.

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, said this was the second hearing of SB 139. He indicated he will address the policy sections of the bill and financial components would be taken up at a later date. The first section involves challenging courses for credit by proving mastery. This policy issue was addressed in HB 190, sponsored by Representative Seaton, and was passed from the Senate Education Committee.

CHAIR STEVENS commented on the need for two separate bills on topics that are part of the Governor's omnibus bill. He pointed out that the committee has already dealt with the exit exam [SB 111] and challenging credits [HB 190]. The outcome of SB 139 is unknown; therefore it is important to have individual-topic bills in order to move forward on those issues, if necessary.

MR. LAMKIN continued to highlight sections of the bill the department and sponsor discussed. He noted that Section 2 requires a college and career ready assessment. The bill provides districts with the choice between the ACE or SAT and WorkKeys, which is difference than SB 111.

He explained that the assessment has three benefits: it provides data for policymakers, it provides parents and students with an understanding of potential aptitudes, and it generates revenue.

He said students who do not plan to go to college or advance in a career may not take tests seriously, skewing data and aptitude information. The only guaranteed benefit would then be revenue for the testing companies. He said that Sections 3, 4, and 5, also address the repeal of the exit exam.

He explained that Section 6 sets out the charter school application and appeal process if the application is denied. An appeal first goes to the commissioner for a recommendation, and if he or she agrees with the appeal, then it is passed on to the state board of education for a final say. He asked the committee to consider whether the commissioner's decision, for or against, should be sent on to the board for a final decision.

8:19:10 AM

CHAIR STEVENS requested further discussion of students' challenging a course for credit. He noted that HB 190 on that subject did pass out of committee.

SENATOR GARDNER voiced concerns about the lack of sideboards on which courses could be challenged. She pointed out that in her district lab classes cannot be challenged.

CHAIR STEVENS added that performing arts courses were discussed previously as additional courses that should not be challenged. He requested the commissioner's opinion.

SENATOR GARDNER noted that the Governor's proposal is more constrained than HB 190.

MIKE HANLEY, Commissioner, Department of Education and Early Development, Juneau, Alaska, agreed with Senator Gardner's recognition of the burden of designing assessments for experiential classes. The language in the Governor's bill does speak to the requirement of districts to provide the opportunity to earn credits for specific courses: mathematics, language arts, science, social studies, and world languages. It adds sideboards, recognizing the difficulty of assessing an experiential class.

SENATOR GARDNER remarked that she is not as concerned about the difficulty for the district to provide an assessment as she is about what it means to the student to get credit for a course.

8:21:45 AM

CHAIR STEVENS turned to Section 2 of the bill and inquired about the benefits and costs of this assessment change.

COMMISSIONER HANLEY clarified if nothing were to take place or if this section were not to pass, all students would continue to be required to take WorkKeys. The goal of this section is to give college-bound students the choice to take the ACT or SAT, instead of WorkKeys.

CHAIR STEVENS asked if students could take both tests.

COMMISSIONER HANLEY said the bill provides that the state would pay for one test, but the students could take both and pay for one. Currently, to qualify for the Alaska Performance Scholarship, a student has to pay for the ACT or the SAT. Under SB 139, the test would be free.

SENATOR GARDNER said she has heard WorkKeys is dated.

COMMISSIONER HANLEY replied that employers in Alaska have not said that. More and more employers are using WorkKeys as an entry level understanding of a student's skills. Some teachers and students have commented that the test is not relevant.

[8:25:32 AM](#)

SENATOR HUGGINS asked how students should decide which test to take.

COMMISSIONER HANLEY said certain schools require one or the other test. The bill does not require a district to give both the ACT and the SAT; it only requires it to provide a college-bound assessment or WorkKeys. A parent and student could choose which test to take.

SENATOR HUGGINS asked which test is needed for the Alaska Scholars Program.

COMMISSIONER HANLEY clarified that the top 10 percent of graduating students qualifies for the University of Alaska Scholars Program; it does not require taking the SAT or the ACT. They typically use the Accuplacer, but it is not required.

SENATOR HUGGINS suggested providing an assessment test in order to prevent the need for remediation in college.

COMMISSIONER HANLEY offered that the provisions in the bill may not be the tool to address that concern. He said the department works directly with the University of Alaska and an Alaska Commission on Post-Secondary Education (ACPE) grant to put

together a longitudinal data system in order connect K-12 data to the workforce and to the university. The purpose of the data is to determine remediation needs. The vision of the Governor's bill is to move from accountability measure in the exit exam to an informational assessment of value to students.

8:31:25 AM

CHAIR STEVENS transitioned to the exit exam, noting that the committee passed SB 111 on that topic. He asked Commission Hanley to comment.

COMMISSIONER HANLEY stressed the importance of the transitional language that all three exit exam bills currently have. This provision is for adults who have graduated with a Certificate of Achievement but have not passed the exit exam. For moral and legal reasons, the provision allows them to re-test for 3 years after the exit exam is removed.

CHAIR STEVENS voiced concern about the cost of that provision.

COMMISSIONER HANLEY agreed that there is some cost. He indicated that last year about 300 adults returned to take the test; 50 percent earned their diploma. The cost is a function of the current contract which will end in 2015. He predicted the cost could be as high as \$1.3 million out of \$2.7 million, but the department is currently negotiating the contract.

CHAIR STEVENS asked how soon the actual cost will be available.

COMMISSIONER HANLEY said he is hoping the department will know this week.

8:34:43 AM

SENATOR HUGGINS referred to two locations where students go to work on their diploma, Camp Challenge and the Job Corps. He inquired what the department does to support those programs.

COMMISSIONER HANLEY replied that the department does work with Department of Military & Veterans Affairs (DMVA) with the Military and Youth Academy's Camp Challenge. The goal there is to offer a type of diploma or to return students to public schools to graduate. The Jobs Program is similar. Those students are working toward a GED, but also toward returning to public schools.

CHAIR STEVENS turned to Sections 6 and 7; charter school application and appeals process. He reviewed the appeal process.

He questioned forcing a district to accept a charter school when they do not want it.

8:38:09 AM

COMMISSIONER HANLEY stated that the more important part of the process is the integrity that will be implemented at the local level. Section 6 (b) states that "a local school board approving or denying the application for a charter school must be in writing and must include all relevant findings of fact and conclusions of law." It says a district must have a valid reason for denying or approving an application and it needs to be public. He opined if that is in place, there won't be many appeals and it would be difficult to overturn the district's decision.

He indicated that, currently, the problem is when school districts counsel charter school applicants not to apply. Currently, all denials and approvals will go through the state board for final approval and that will remain the same. The bill adds a provision that a denial go before the commissioner prior to going to the state board. He noted that there is no history of denials going to the state board to date.

8:40:26 AM

CHAIR STEVENS asked if the commissioner denies a request, whether that's the end of the process.

COMMISSIONER HANLEY clarified that both approvals and denials go to the state board.

SENATOR GARDNER inquired what problem the bill is fixing if there is no history of denials and the goal is accountability at the district level. She questioned why include anything other than accountability in the bill.

COMMISSIONER HANLEY observed that having the process in places provides integrity; applicants know they have an avenue for review.

SENATOR GARDNER gave an example of an impractical, informal charter proposal that is problematic and unlikely to go forward. She asked if it was appropriate for a district to counsel the group against moving forward.

COMMISSIONER HANLEY said yes. A district could highlight problematic issues based on findings of fact and conclusions of law; however, a parent group could still propose it.

8:43:10 AM

CHAIR STEVENS summarized that no charter schools have been denied and it is unknown if charter schools have been encouraged not to apply.

SENATOR HUGGINS disagreed. He opined that charter schools are the ultimate in parental involvement and districts should not deny them just because they don't think their idea is ready yet. Some districts say they can't afford a new charter school and there are caps in some areas. Also, some districts are not in favor of charter schools.

He said the role of the Academic Policy Committee (APC) to run the school is unclear in some districts. He stated support for modernizing charter schools because they are the model for school choice.

SENATOR DUNLEAVY agreed with Senator Huggins' comments. He opined that the law does not go far enough. He stressed the importance of engaging parents and he expressed support for SB 139. He said other states have independent boards that hear charter school applications and have alternative authorized charter schools. He said Alaska's Charter School Law is ranked very low compared to other states. He said he does not fear parents and groups that want to coalesce around a mission to help children. He spoke in support of innovation in education and cautioned that public education will lose more parents to other options. He termed charter schools as mission schools and he encouraged support of them.

8:48:55 AM

CHAIR STEVENS inquired whether this topic is in other bills.

COMMISSIONER HANLEY replied that Representative Gattis has another bill that deals with charter schools, but it is significantly different in that it requires an authorizer that is not a local school board.

CHAIR STEVENS pointed out that there has been a lot of discussion about this issue, but not much objection to it. It will provide a clear reason why a charter school is denied or accepted.

SENATOR DUNLEAVY said that input from all players is important; however, there needs to be a balance of practitioners' and policymakers' views with students' and parents' views. He noted

a parent trigger law in California giving parents a say in education matters. There are many reform movements across U.S. due to parent involvement.

8:52:38 AM

SENATOR HUGGINS asked if there are still federal or state startup grants for charter schools for things like school furniture.

COMMISSIONER HANLEY said they no longer exist.

8:54:12 AM

CHAIR STEVENS requested information on boarding school stipends.

COMMISSIONER HANLEY related that there are two components; the department will open a boarding school application period annually, and the room and board stipend will be raised to reduce the gap between actual cost and current funding.

SENATOR STEDMAN asked for backup data for justifying the cost increase. He brought up the inequity between the per-pupil monthly stipend for room and board currently at \$820 for the Southeast Region and at \$800 for the Southcentral Region, with a proposed increase to \$1230 for Southeast and \$1200 for Southcentral. He maintained that the cost of living in Southeast was closer to parity several decades ago. He said he would be shocked if costs in Southeast were remotely close to Southcentral's costs today.

COMMISSIONER HANLEY replied that the department did not break down the geographic differentials. The department looked at several schools' actual costs. He offered to look into the request.

SENATOR GARDNER asked if that stipend was raised recently.

COMMISSIONER HANLEY said Senator Coghill sponsored SB 47 last year which proposed the actual numbers in SB 139. At the time it would have tripled the stipend, but the legislature settled on doubling it.

SENATOR GARDNER posed a rhetorical question on the idea of an increase in the number of boarding schools and the stipend for additional students and "addressing the gap" between the actual cost and the current funding. She noted the same criteria did not apply to the Base Student Allocation (BSA.)

CHAIR STEVENS agreed it was a rhetorical question.

[8:59:10 AM](#)

SENATOR STEDMAN restated a request for data to justify the reason for numeric changes regarding costs. He noted the variations in cost comparisons by region, depending on which area within a region is used.

COMMISSIONER HANLEY said he would do his best to compare Mt. Edgecombe to other residential schools.

CHAIR STEVENS wished to discuss the BSA at another meeting.

CHAIR STEVENS opened public testimony.

[9:00:46 AM](#)

MIKE COONS, representing himself, Palmer, Alaska, testified against aspects of SB 139. He noted the Governor finally got rid of Common Core and the need to collect data. He referred to Section 2 and spoke against taking tests for the purpose of data. He opposed the expense of funding any exit tests.

[9:03:46 AM](#)

SENATOR GARDNER explained that the proposal is that the exams would not be for high stakes, only for information.

MR. COONS shared his personal story and maintained there is no need for the tests.

[9:05:05 AM](#)

MARK SUMERVILLE, Board Member, Copper River School Board, Kenny Lake, Alaska, testified in support of SB 139. He said he has no concerns about the sections in bill. He said he was concerned if an increase in the BSA is in lieu of additional funding provided to schools in the past few years for fuel and transportation.

He pointed out that his district's enrollment has dropped by 32 percent over the last ten years. Last year's significant enrollment drop put the district into a hold harmless status. There will be a \$200,000 deficit next year which translates to loss of teachers or combining elementary classes. Additional funding is appreciated; however, the district is not a supporter of blanket increases in the BSA.

He said he agrees with looking at innovative education ideas and opportunities. The district is applying for a planning grant for

a virtual school and a residency program in the Alaska Bible School's vacant campus.

9:07:47 AM

CHAIR STEVENS thanked Mr. Sumerville for his service on the school board. He inquired if fuel and transportation were no longer funded in the Copper River District and the district only received the BSA increase, whether the district's funds would be increased.

MR. SUMERVILLE said the BSA increase would not make up the difference.

CHAIR STEVENS summarized that if the BSA remains as it is and the district does not receive additional funds, it will be a difficult time for the district.

SAMUEL SINAU, Student, Copper River School, Kenny Lake, Alaska, testified on SB 139. He said he believes the planning grant will be beneficial to the school by providing more opportunities for students in the bush.

CHAIR STEVENS asked for Mr. Sinau's thoughts on the exit exam, WorkKeys, and the SAT or ACT.

MR. SINAU believed students should have a standard test in order to qualify for graduation to prepare for what they want to do later on.

CHAIR STEVENS asked if Mr. Sinau was in favor of getting rid of the exit exam.

MR. SINAE said he was. He noted that some students felt the test should be more challenging, except for students with disabilities.

MR. SUMERVILLE agreed with removing the exit exam and replacing it with options set out in the bill. He pointed out that currently most of the students pass the exit exam in their sophomore year.

9:12:06 AM

KEVIN SHIPLEY, Superintendent, Kake School District, Kake, Alaska, testified on SB 139. He commented about the importance of considering how testing students out of classes affects a district's current accountability system. He suggested looking at the intended and unintended consequences. For example, if a

district is letting students test out of English I, and they are going to be held accountable for the exit exam, the test needs to be rigorous enough to ensure success on the exit exam. He said he is not opposed to testing out and he will put policies in place to make it possible.

He stressed that there needs to be consistency in testing across the state. It will cost money for local districts to create an accountability test. The state could choose to let the districts know tests the department is approving. He said he is not opposed to students taking the ACT, SAT, or WorkKeys, if the state wants to pay for it. He stressed the importance of tying accountability to tests; however he was against tying accountability to any of the three tests because they do not align to Kake's curriculum or to state standards. He inquired if there would be a new exit exam aligned to state standards.

He spoke in favor of public, private partnerships as long as there is local control. He questioned who would be accountable for a charter school if a school board is overruled. He questioned how the new charter school provisions will affect the system currently in place. School superintendents are happy to try creative and innovative things. Their goal is to do what it takes to make students successful. He said 100 percent of students in Kake passed the exit exam last year. In everything it does, the district must meet the accountability standards the state sets up. He questioned if the state was ready to commit to a system and keep it in place long term.

[9:17:36 AM](#)

SENATOR STEDMAN asked how many of Kake's 9th grade students graduate.

SUPERINTENDENT SHIPLEY said 100 percent of the five-year cohort graduated last year and 100 percent will graduate this year. In the last five years, two students did not graduate, but they received GEDs. He shared a story to indicate that the district does not give up on students.

[9:19:00 AM](#)

CHAIR STEVENS asked if Common Core Standards are gone now that Alaska has the Alaska Academic State Standards. He stated that no matter what happens to SB 139, Alaska will still have an accountability test based on the standards, in addition to the tests mentioned in the bill.

COMMISSIONER HANLEY reported that in June of 2012 the State Board of Education adopted a new set of Alaska Academic Standards that are similar, but more rigorous than the Common Core Standards. The focus has shifted from graduation to preparation. Now there are measures in grades 3-10 and next year there will be measures in grades 3-11, a system of feedback for students.

SENATOR GARDNER inquired why the department changed from Smarter Balanced assessments and much it costs.

COMMISSIONER HANLEY offered to provide that information.

[9:22:07 AM](#)

BRANDI BOCATCH, Student, Dillingham High School, Dillingham, Alaska, testified on SB 139. She spoke in opposition to the exit exam and in favor of WorkKeys and ACT/SAT.

CHAIR STEVENS said he has heard that once kids passed the exit exam in their sophomore year, they weren't serious about the rest of their school career.

MS. BOCATCH agreed.

[9:23:33 AM](#)

PETER HOEPFNER, Board President, Cordova School Board, Cordova, Alaska, testified on SB 139. He pointed out that the BSA does not have an inflation component to it and it should be in the formula as a way of protecting schools. He agreed with appealing the exit exam and with the transition language in the bill that would allow students who have failed the exam to have time to retake it.

CHAIR STEVENS held SB 139 in committee.

[9:26:09 AM](#)

There being no further business to come before the committee, Chair Stevens adjourned the Senate Education Standing Committee at 9:26 a.m.