

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

February 28, 2014
8:00 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 CONCURRENT RESOLUTION NO. 12
Proclaiming February to be Public Education Month.

- MOVED CSSCR 12(EDC) OUT OF COMMITTEE

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

SENATE BILL NO. 147

"An Act increasing and providing an inflation adjustment to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SCR 12

SHORT TITLE: FEBRUARY PUBLIC EDUCATION MONTH

SPONSOR(s): SENATOR(s) GARDNER

02/03/14 (S) READ THE FIRST TIME - REFERRALS
02/03/14 (S) EDC
02/26/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/26/14 (S) Scheduled But Not Heard

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)
02/10/14 (S) Heard & Held
02/10/14 (S) MINUTE(EDC)
02/24/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/24/14 (S) -- MEETING CANCELED --
02/26/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
02/26/14 (S) Heard & Held
02/26/14 (S) MINUTE(EDC)
02/28/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)

BILL: SB 147

SHORT TITLE: BASE STUDENT ALLOCATION

SPONSOR(s): GARDNER

01/31/14 (S) READ THE FIRST TIME - REFERRALS
01/31/14 (S) EDC, FIN
02/28/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

THOMAS PRESLEY, Staff
Senator Berta Gardner
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SCR 12 on behalf of the sponsor.

LES MORSE, Deputy Commissioner
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Presented information on SB 139.

ELIZABETH NUDELMAN, Director
School Finance
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Presented information related to SB 139.

THOMAS PRESLEY, Staff
Senator Berta Gardner
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SCR 12 and SB 147 on behalf of the sponsor.

TAM AGOSTI-GISLER, President
Anchorage School Board
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 147.

PAT GALVIN, representing himself
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 147.

KAREN MARTINSEN, Teacher
Southeast Career Consortium
Sitka, Alaska

POSITION STATEMENT: Testified in favor of SB 147.

ROBERT BOYLE, Superintendent
Ketchikan School District
Ketchikan, Alaska

POSITION STATEMENT: Testified on the BSA component in SB 139 and in SB 147.

LON GARRISON, President
Sitka School Board
Sitka, Alaska

POSITION STATEMENT: Testified in support of SB 147.

SUNNI HILTS, President
Association of Alaska School Boards

Seldovia, Alaska

POSITION STATEMENT: Testified in support of increasing the BSA.

BARB JEWELL, Member
Cordova School Board
Cordova, Alaska

POSITION STATEMENT: Testified in support of SB 147.

NORA HERZOG, Member
Students with a Voice
Anchorage, Alaska

POSITION STATEMENT: Testified in favor of SB 147.

BRIDGET GALVIN, Students with a Voice
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 147.

ALISON ARIANS, Member
Great Alaska Schools
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 147.

KATHY TRAN, Student
Floyd Dryden Middle School
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 147.

ACTION NARRATIVE

[8:00:15 AM](#)

CHAIR GARY STEVENS called the Senate Education Standing Committee meeting to order at 8:00 a.m. Present at the call to order were Senators Gardner, Stedman, Huggins, Dunleavy, and Chair Stevens.

SCR 12-FEBRUARY PUBLIC EDUCATION MONTH

[8:00:41 AM](#)

CHAIR STEVENS announced that the first order of business would be SCR 12. He said the committee would hear from the sponsor and take public testimony. He noted that SB 147 and SB 139 would be heard simultaneously and would focus specifically on the Base Student Allocation (BSA). He said he would keep public testimony open beyond today's meeting.

[8:02:09 AM](#)

THOMAS PRESLEY, Staff, Senator Berta Gardner, Alaska State Legislature, Juneau, Alaska, presented SCR 12 on behalf of the sponsor. He said the motivation for introducing SCR 12 was to proclaim February the Public Education Month. The resolution was written after Senator Gardner and Representative Drummond visited all the schools in their district. They wished to give the schools credit for some of the innovative and creative things they were doing. After the visits he said they heard about an Anchorage School District parent survey which found that 90 percent of parents of students in public schools would recommend their school to others. The same survey also found that there are parents with students waiting to get into charter schools who don't know the name of their neighborhood schools. He concluded that the resolution would be a good way to raise the level of public awareness.

MR. PRESLEY noted that the sponsor has drafted an amendment that would change the date to be effective in February of 2015.

[8:04:01 AM](#)

SENATOR HUGGINS asked for clarification about the charter school comment.

SENATOR GARDNER explained that members of the public who don't use neighborhood schools don't know anything about them and what they offer. She offered to make the survey available to the committee when she receives it. She said she loved the Anchorage School District's idea to have a "visit your public school month in February" idea. She opined that many people do not know what schools offer and she supports any effort to get members of the public into schools.

SENATOR HUGGINS agreed. He said he would like to expand this idea to a year of education where every month is dedicated to an element of education.

[8:05:46 AM](#)

SENATOR DUNLEAVY stated that the idea is to make people more aware of neighborhood schools.

SENATOR GARDNER said yes; the whole community, not just families.

SENATOR DUNLEAVY agreed. He said engagement is key. He asked for clarification regarding charter schools and waitlists.

MR. PRESLEY reported that the parent survey showed that charter school parents on a waitlist did not know the name of their neighborhood schools.

SENATOR DUNLEAVY asked if the children were on a waitlist for public charter schools.

MR. PRESLEY said yes.

[8:07:03 AM](#)

CHAIR STEVENS commented that general information about public education includes charter schools.

SENATOR STEDMAN agreed with the concept of building the morale of public schools. He wondered about the amendment date.

CHAIR STEVENS apologized for not getting to the bill faster. He asked what the amendment would do.

MR. PRESLEY reiterated that it would change the date to February 2015.

CHAIR STEVENS requested a motion regarding the amendment for the purpose of discussion.

MR. PRESLEY said it would be a conceptual amendment.

[8:08:34 AM](#)

SENATOR GARDNER moved to adopt Conceptual Amendment 1, to add "2015" to the date.

CHAIR STEVENS objected for discussion.

SENATOR HUGGINS wondered if February would be the best choice. He suggested that the beginning of the year would be better.

SENATOR GARDNER said the Anchorage School District was planning for "Visit Your Public School Month" for February. She said she is happy to make it any date or time. The federal government is planning a week in November to honor education.

MR. PRESLEY said International Education Week begins November 27.

SENATOR HUGGINS said the resolution applies to all school districts. He thought it was a good idea, but he would prefer it last a year and highlight a different segment each month.

CHAIR STEVENS asked where the amendment would go.

MR. PRESLEY replied that the date "2015" would be added to page 2, line 11, after "February".

There being no objection, Conceptual Amendment 1 was adopted.

[8:12:04 AM](#)

SENATOR DUNLEAVY noted his support of public education, but he thought the wording was odd.

SENATOR STEDMAN suggested changing the wording.

SENATOR DUNLEAVY said it was interestingly worded.

CHAIR STEVENS noted a zero fiscal note.

[8:13:17 AM](#)

SENATOR GARDNER said she is strongly considering Senator Huggins' suggestion to make September Public Education Month at the start of the school year. There being no objection, the motion carried.

CHAIR STEVENS said there is no rush.

SENATOR HUGGINS moved to adopt Conceptual Amendment 2, to add "September" to the date in place of "February."

SENATOR DUNLEAVY moved to report SCR 12, as amended, from committee with individual recommendations and attached zero fiscal note. There being no objection, CSSCR 12 (EDC) was reported from the Senate Education Committee.

[8:14:22 AM](#)

At ease

SB 139-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

[8:16:16 AM](#)

CHAIR STEVENS announced that the next order of business would be SB 139. He said the committee would take up Sections 14, 15, and 16, which relate to the Base Student Allocation.

[8:16:43 AM](#)

LES MORSE, Deputy Commissioner, Department of Education and Early Development (DEED), Juneau, Alaska, presented information on SB 139.

ELIZABETH NUDELMAN, Director, School Finance, Department of Education and Early Development (DEED), Juneau, Alaska, presented information related to SB 139.

[8:17:22 AM](#)

At ease

[8:17:56 AM](#)

MR. MORSE said Sections 14, 15, and 16 begin on page 9 of the bill. These sections provide a modest increase in the Base Student Allocation (BSA) the first year for \$85 and the following two years, \$58 each. That works out to 1.5 percent increase the first year and 1 percent each of the two following years. The increase was put forward to begin a dialogue around, not only the funding of education, but greater educational issues. He said it is an appropriate increase considering the fiscal climate and it is a piece of a larger package.

SENATOR GARDNER noted in Section 13 an increase in the stipend for room and board expenses. She requested a comparison of the 1.5 percent increase and the almost 50 percent stipend increase.

MR. MORSE explained that they are looked at differently. Boarding school students also receive the BSA. The boarding school stipend reflects true costs that go beyond the BSA.

SENATOR GARDNER concluded that for the boarding school stipend, true cost numbers are used; for the BSA they are not used.

MR. MORSE clarified that the BSA was brought forward as a modest increase and the administration is interested in a dialogue continuing within the legislative process. The stipend is based on true costs.

[8:21:21 AM](#)

SENATOR DUNLEAVY asked how much money has been put into education over the last 10 years. He said the BSA gets lost in the discussion. He asked if the BSA is the only component for funding schools.

MR. MORSE offered to provide further information about the amount spent on education. He said there are other pieces of the formula besides the BSA, such as the cost differential and

intensive student funding. The funding during the past 10 years has increased. There are those who would argue that other thing should be included as education funding, such as retirement costs.

[8:23:05 AM](#)

MS. NUDELMAN concurred.

CHAIR STEVENS suggested including the cost of transportation, fuel, and energy.

SENATOR DUNLEAVY said there is a narrative being spun that no money is going to education. He understood that upwards of \$100 million additional per year has been going to education, which includes retirement costs and school construction, while the student population has declined. He asked if that was correct.

MR. MORSE said that sounds correct. Some feel that retirement and debt should not be counted as part of education funding.

[8:24:42 AM](#)

SENATOR DUNLEAVY pointed out that the legislature has constructed an education system over the past 50 years, along with some help from the federal government. When educators are asking for resources, they are requesting funds for the program the legislature has developed. They are not greedy or out of line. He suggested the legislature either fund education with the funding level it needs to operate under the current construct, or change the construct. Keeping the current construct and not funding it is a disservice to Alaska's children.

[8:26:14 AM](#)

SENATOR GARDNER addressed the issue of inflation-proofing the BSA in statute.

MR. MORSE said the administration is supporting SB 139 in light of the current fiscal climate.

SENATOR STEDMAN also requested the financial information Senator Dunleavy requested about the following costs: PERS/TRS, energy, major maintenance, new construction. That would provide a wide view of the total cost to the state.

CHAIR STEVENS asked for the information in a reasonable amount of time.

MR. MORSE agreed to provide the requested data. He said there is information from previous hearings available.

[8:28:20 AM](#)

SENATOR GARDNER asked Mr. Morse if he could do a projection into the next year or two and include the per pupil monthly stipend for boarding schools. She thought that information should be reflected on the fiscal note.

MR. MORSE said the information is found in a separate fiscal note. The analysis breaks out the number of students that receive the stipend.

CHAIR STEVENS commented that there are a number of pieces involved; the committee's focus is on the BSA today.

SENATOR HUGGINS pointed out that stipends are weighted toward Native populations.

MR. MORSE said that is generally true. For example, Mt. Edgecombe serves mostly Alaska Native students from rural areas, as do most boarding schools.

[8:30:03 AM](#)

SENATOR HUGGINS said he is very uncomfortable with distinguishing between funding Native students versus funding urban students.

CHAIR STEVENS said the committee would get to that issue in more detail later.

SENATOR STEDMAN noted the difficulty of projecting student enrollment. He said he has a hard time with the idea of embedding inflation indexes into budgetary processes.

SENATOR DUNLEAVY stated that education is a constitutionally mandated program. He said the state funds adult education which is not mandated. He maintained that public education should be funded first, before other programs, up front.

[8:34:07 AM](#)

SENATOR STEDMAN said he takes a broader view. He pointed out that there is a gas line pending, and due to the small population in Alaska, he wished to enhance training programs for Alaska gas line workers.

CHAIR STEVENS said they are all good points.

SENATOR HUGGINS returned to the topic of inflation proofing and maintained that the federal government is out of control. He agreed that education is the number one issue. He suggested that inflation proofing does bind future legislatures.

CHAIR STEVENS held SB 139 in committee.

SB 147-BASE STUDENT ALLOCATION

[8:37:08 AM](#)

CHAIR STEVENS announced that the final order of business would be SB 147.

THOMAS PRESLEY, Staff, Senator Berta Gardner, Alaska State Legislature, Juneau, Alaska, presented SB 147 on behalf of the sponsor. He explained that the bill increases the Base Student Allocation (BSA) by \$404 from the current \$56.80. Section 2 of the bill inflation proofs the BSA formula to track with the Consumer Price Index (CPI). He said the sponsor got the amount of \$404 from a legislative research study that showed, over a period of three years, there was a 7 percent loss in the BSA from inflation. The \$404 would replenish the BSA from the last time it was increased in FY 11.

SENATOR HUGGINS asked if the study took into consideration monies for safety, maintenance, and transportation.

MR. PRESLEY said the study focused only on the BSA.

SENATOR HUGGINS thought the results of the study were skewed because it did not measure the total amount of money that went into education. He said he would like to see the study.

SENATOR GARDNER noted the study is included in members' packets.

SENATOR DUNLEAVY said he would ask the staff to read the sponsor statement and the fiscal note in order to begin a debate on inflation and the situation in schools today.

CHAIR STEVENS opened public testimony.

[8:41:30 AM](#)

TAM AGOSTI-GISLER, President, Anchorage School Board, Anchorage, Alaska, testified in support of SB 147. She stressed the importance of providing opportunity for students in order to prepare them for success in life. She shared that the board had

to make \$23 million in cuts this year, on top of the \$25 million in cuts made last year and a probable \$28 million in cuts next year. She shared details of what was cut and the effects of the cuts. She noted the Anchorage School District (ASD) had a higher graduation rate and lower dropout rate than ever before.

She explained why costs in education have risen. Alaska is the most expensive state for health care benefits. The ASD is currently negotiating to decrease those costs. The most recent employee negotiations bend health care costs down to inflation by increasing eligibility levels and freezing the district's annual medical contribution in the third year of the contract.

She said that while the board supports the Governor's intent to increase the BSA, it supports a higher amount. In order to sustain the ASD in the next three years, a BSA increase of \$250 the first year, \$200 in the second, and \$200 in the third year would be needed. If a \$400 increase were provided in one year, such as proposed in SB 147, the ASD would need an additional \$125 each of the following two years. Most importantly, the district would need an annual CPI adjustment to the BSA. She voiced appreciation for the support the legislature has given to the district over the years, not only for the BSA, but also through legislative grants, debt reimbursement on capital projects, retirement liability repayments, and funding for needed safety improvements last year.

She concluded that the board would like to work with the legislature on how to reduce some capital spending that would make room for more operating funds.

[8:46:00 AM](#)

SENATOR STEDMAN noted that there will be budget deficits for the foreseeable future. He inquired how much deficit Anchorage is comfortable with.

MS. AGOSTI-GISLER said it is her personal opinion that they need to reprioritize where some of the funding is going. She opined that the state must first look at what it costs to fund public education.

SENATOR DUNLEAVY asked her to repeat her comment regarding SB 147.

MS. AGOSTI-GISLER reiterated her comment.

SENATOR DUNLEAVY asked if ASD's finance manager has projected out over five years what the expenditure/revenue gap will be if nothing is done in the BSA.

MS. AGOSTI-GISLER said yes, but she does not have those details in front of her.

SENATOR DUNLEAVY asked if it was safe to say it would be in the tens of millions.

MS. AGOSTI-GISLER replied "or higher."

SENATOR HUGGINS said the legislature wants to be part of the solution, not part of the problem. He asked what the upcoming budget shortfall is.

MS. AGOSTI-GISLER reiterated that the district would experience a \$23 million deficit and would be cutting approximately 200 positions.

SENATOR HUGGINS asked if any were new positions paid for by federal dollars.

MS. AGOSTI-GISLER said many of those positions were cut last year. This year 140 teachers were cut; a few were cut due to declining student enrollment, but the majority of cuts have to do with the deficit.

SENATOR HUGGINS requested those numbers. He asked what the enrollment projection is for next year.

MS. AGOSTI-GISLER replied that there are about 48,000 students this year and there were 49,300 last year.

SENATOR HUGGINS concluded it was a projected loss of about 1,300 students.

MS. AGOSTI-GISLER said those numbers are based on this year's count and on projections for next year.

SENATOR HUGGINS asked which areas create the deficit.

MS. AGOSTI-GISLER reiterated that health care is number one.

SENATOR HUGGINS asked if the district supports pooling.

MS. AGOSTI-GISLER responded if it is just pooling of school districts, there is no cost savings. A larger collaborative cooperative group medical service that includes public and private partnerships could provide that value. She said the school board recently adopted a resolution that supports the goals included in the Alaska HR leadership networks resolution and support for the Alaska Health Care Commission recommendation. This endorses the administration's efforts to continue an exploration of public/private employer partnership to enable, but not require, a large scale consolidated procurement of medical services.

[8:51:55 AM](#)

SENATOR HUGGINS asked for the number that health care contributes to the deficit.

MS. AGOSTI-GISLER she offered to provide that information.

SENATOR HUGGINS requested a repeat of the other categories.

MS. AGOSTI-GISLER reiterated that besides health care, there are increased needs in technology, especially online assessments and teacher evaluations, energy costs, and inflation.

SENATOR HUGGINS asked if inflation is part of it.

MS. AGOSTI-GISLER said yes.

SENATOR DUNLEAVY asked for a definition of inflation.

MS. AGOSTI-GISLER explained it is CPI.

SENATOR DUNLEAVY asked if contracts with labor groups have been settled.

MS. AGOSTI-GISLER said they were settled the end of September. She reiterated that the district was able to bend the cost curve on health care down to inflation. The district's annual medical contribution was frozen for the third year of the contract.

SENATOR DUNLEAVY asked if there was an increase in salary.

MS. AGOSTI-GISLER said it was for minimal steps and lane increases.

SENATOR DUNLEAVY asked if there was a percentage increase.

MS. AGOSTI-GISLER said it was 1 percent.

SENATOR DUNLEAVY asked if it was a part of inflation.

MS. AGOSTI-GISLER said yes.

[8:53:57 AM](#)

SENATOR GARDNER mentioned that there has been no support in this body or in the administration for inflation-proofing of the BSA. She inquired what impact that would have on the ability to plan, compared to putting into statute three step BSA increases.

MS. AGOSTI-GISLER replied that the district is spending an inordinate amount of time on budgets and cuts. Without knowing what the future revenues will be, it is difficult to focus on the more important task of raising the academic achievement level. She emphasized a need to dedicate time to programs and to raise academic achievement and graduation rates.

SENATOR GARDNER asked if it makes a huge difference to have a three-step funding plan, compared to having a set figure now, knowing that would be inflation proofed in the out years.

MS. AGOSTI-GISLER said with inflation proofing there is an option for more advanced planning. A three-step plan allows planning in the immediate future, but inflation proofing allows for further planning.

[8:56:24 AM](#)

SENATOR GARDNER reported that many school districts said a BSA increase for only one year would not allow for rehiring those who were cut. She asked if Ms. Agosti-Gisler agreed with that position for ASD.

MS. AGOSTI-GISLER said it is difficult to hire and retain people if they know it is for a one-year contract.

[8:57:58 AM](#)

CHAIR STEVENS noted that public testimony would continue beyond today's meeting.

PAT GALVIN, representing himself, Anchorage, Alaska, testified in support of SB 147. He said he is a parent member of Great Alaska Schools - Anchorage, which was recently formed in response to the ASD budget situation. He stated that an increase of at least \$400 is appropriate in order to restore the value available in the schools several years ago. He recognized that

there are a number of other budgetary issues, but he maintained that education should be a priority.

He reported on the effects of recent cuts in the loss of counselors and advisors. He recognized the state has prioritized education-spending in the past which has led to dramatic results. Anchorage has experienced a turnaround in the graduation rates and reading levels, and a decrease in dropout rates. Flat funding has adversely affected classrooms and there is fear that graduation numbers will reverse.

SENATOR STEDMAN said he would be happy to add progressivity in education funding. He appreciated Mr. Galvin's broad view.

[9:03:18 AM](#)

SENATOR HUGGINS told a story about TransCanada and how many schools the state could build.

MR. GALVIN opined that the \$300 million investment was very good for the state.

SENATOR HUGGINS said his number one priority is education.

MR. GALVIN said it is a matter of the state's priorities and education is a very valuable investment in the state's future.

[9:06:13 AM](#)

KAREN MARTINSEN, teacher, Southeast Career Consortium, Sitka, Alaska, testified in favor of an increased BSA.

CHAIR STEVENS noted the subject is the BSA.

MS. MARTINSEN spoke in support of additional increases in the BSA.

[9:08:21 AM](#)

ROBERT BOYLE, Superintendent, Ketchikan School District, Ketchikan, Alaska, testified on the BSA components in SB 139 and in SB 147. He said he is in favor of the BSA in order to get away from one-time funding. One-time funding hampers the ability of school districts to create a quality budget and to look at any kind of long-term adjustments.

SENATOR STEDMAN asked about the budget in the Ketchikan School District.

SUPERINTENDENT BOYLE said the district is looking at program cuts, such as in technology upgrades, but no staffing cuts.

[9:10:44 AM](#)

LON GARRISON, President, Sitka School Board, Sitka, Alaska, testified in support of SB 147. He said the Sitka School District has consistently outperformed state averages in all subject areas. It offers a comprehensive home school program and an alternative high school, which has successfully graduated over 145 students in the last 20 years. He said 89 percent of those students have come from poverty, over 50 percent are homeless, and 12 percent are pregnant or parenting students. This is an example of a program that has made the difference for many students. He related that Sitka has overwhelming supported bonds to support schools to the total of \$6.12 million.

He pointed out that for FY 15 the Sitka School District faces a budget deficit of \$1.6 million or nearly 8 percent of the projected \$20 million budget. This could represent a loss of 18 certified positions. At present the district estimates it would take more than a \$500 increase in the BSA to make up for that deficit.

He said SB 139 moves in the right direction and the multi-year aspect provides some certainty, but cannot make up for the past four years of flat funding. On the other hand, SB 147 does make a significant impact to education funding and allows for the continual adjustment of the BSA based on inflation. A \$400 increase to the BSA would provide close to an additional \$1 million in state foundation funding.

He spoke of unplanned costs for new curricular materials and new evaluation tools for 2015 related to new state standards. He concluded that an increase in the BSA is imperative for the Sitka School District. He concluded that, "SB 139 gets us moving in the right direction, but does not move us far enough. SB 147 approaches our real need and provides a mechanism for keeping the BSA at an appropriate level."

CHAIR STEVENS thanked Mr. Garrison.

[9:15:11 AM](#)

SUNNI HILTS, President, Association of Alaska School Boards, Seldovia, Alaska, testified in support of increasing the BSA. She said she recognizes legislative support of significant funding to pay down the liability of TRS/PERS and the funding of energy costs and others. She stressed that without an increase

in BSA, district budgets have to be cut every year. This means eliminating programs that are making a difference, cutting teaching positions, and raising the pupil/teacher ratio. It means delaying technology purchases and denying students the skills needed to enter the workforce.

She noted that districts have risen to the challenge given by the legislature by increasing graduation rates and decreasing dropout rates. She concluded that this is a time schools should be celebrating instead of taking steps backwards.

9:18:08 AM

BARB JEWELL, Member, Cordova School Board, Cordova, Alaska, testified in support of SB 147. She appreciated that education is a major topic of the legislature. She maintained that costs of providing education have increased while the BSA has remained flat. Additional funds have been provided by the legislature, but have not been used in the classroom.

She said in Cordova graduation rates are up and are now over 90 percent. Dropout rates are down. Cordova is listed as the number six school in the state and is in the top 8 percent in the country. This is reflective of the investment in education that Cordova makes. She listed the ways costs have been cut. She said the community funds to the maximum amount.

She concluded that without an increase in the BSA, programs that have served students well will be in danger. Inflation proofing the BSA provides additional stability and sustainability for classrooms.

9:20:54 AM

NORA HERZOG, Member, Students with a Voice, Anchorage, Alaska, testified in favor of SB 147. She said she is speaking as a student concerned, not only with her own education, but also with others' education. She related that public education is one of the most important components of democracy. According to the Center for Ethical Leadership, "We need public education to prepare people to be citizens capable of engaging the world."

She said that public education prepares kids to become caring, active, and responsible citizens. An informed, intelligent population is a functional population. She stressed the role of public education in equal opportunity. She maintained that public education can only succeed with the support of the community, students, teachers, and the government.

She urged the committee to invest time and money in the classroom in order to create a population that will continue to strive to make Alaska a great government and community. She stressed the importance of the fundamental right to learn. She credited educators for inspiring kids to become productive members of society. She cautioned that class size is increasing due to inadequate funding.

She concluded that it is vital to understand that education is not a business, it is an investment in the leaders of tomorrow.

CHAIR STEVENS thanked Ms. Herzog.

[9:25:24 AM](#)

BRIDGET GALVIN, Students with a Voice, Anchorage, Alaska, testified in support of SB 147. She said she is representing a movement of students from all across Alaska. She stated she supports an increase in the BSA of at least \$400 to restore the money lost by inflation, as do Students with a Voice. She shared stories of counselors missing, overcrowded classrooms, and the loss of career advisors. She clarified that she is not speaking because teachers told her to, but because she has seen the results of funding cuts to education, which are hurting students and the future of Alaska.

She asked the committee to work together toward a positive future for Alaska.

CHAIR STEVENS thanked Ms. Galvin.

SENATOR GARDNER said she especially liked Nora's closing comments. She requested a copy of them.

CHAIR STEVENS said it is good to hear from students.

[9:28:21 AM](#)

ALISON ARIANS, Member, Great Alaska Schools, Anchorage, Alaska, testified in support of SB 147. She said she is a small business owner who is concerned about the cuts schools are facing. She shared her personal history. She urged the committee to restore the funds that have been eroded with an increase of at least \$400 to the BSA, and to inflation proof the BSA.

She noted that funding mechanisms are very complicated, but maintained that prioritizing education funding really works. When legislators in 2004 significantly increased the BSA, Anchorage graduation rates were turned around. Reading, writing,

and math scores also improved. She thanked the legislature for the increased investment from 2004 to 2011. She requested that the legislature not cut off the tremendous progress.

She noted that the Anchorage School District lost 200 positions last year and will lose 200 more next year. There has already been a flattening in third grade reading scores, probably due to the reduction in teacher aids.

She listed areas of support in Anchorage for adequately funding schools. There are more than 700 members of a new organization called Great Alaska Schools - Anchorage. Parents, community members, and business people are coming together to promote strong public schools. Many PTA organizations have also come together in a coalition to support a significantly increased and stabilized BSA. Also, Students with a Voice has almost 800 members. She emphasized the number of vocal people supporting the BSA increase.

CHAIR STEVENS thanked Ms. Arians.

[9:32:24 AM](#)

KATHY TRAN, Student, Floyd Dryden Middle School, Juneau, Alaska, testified in support of SB 147. She urged the committee to vote "yes" on SB 147. She said Anchorage, Juneau, and Fairbanks schools have had to lay off teachers in order to meet rising costs and flat funding. Increased class size is a problem because close interactions between students and teachers is essential for student success. She shared her experience as a student with positive relationships with teachers.

She said many people want to see SB 147 pass. The Association of Alaska School Boards is strongly urging the legislature for an increase to the BSA. According to the National Education Association, Alaska's per pupil expenditures have not been keeping up with the rest of the nation. An increase in the BSA will save important programs and teachers' jobs, and give students the best educational environment they need and deserve.

CHAIR STEVENS thanked Ms. Tran. He held SB 147 in committee.

[9:35:35 AM](#)

CHAIR STEVENS noted public testimony would continue at a later date.

[9:35:42 AM](#)

There being no further business to come before the committee,
Chair Stevens adjourned the Senate Education Standing Committee
at 9:35 a.m.