

ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE

March 12, 2014

8:00 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Charlie Huggins

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)
02/10/14 (S) Heard & Held
02/10/14 (S) MINUTE(EDC)
03/12/14 (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)
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)
02/28/14 (S) Heard & Held
02/28/14 (S) MINUTE(EDC)
03/03/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
03/03/14 (S) Heard & Held
03/03/14 (S) MINUTE(EDC)
03/10/14 (S) EDC AT 8:00 AM BELTZ 105 (TSBldg)
03/10/14 (S) Heard & Held
03/10/14 (S) MINUTE(EDC)
03/12/14 (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 changes to SB 107 and SB 139 on behalf of the sponsor.

SUSAN MCCAULEY, Ph.D., Director
Teacher and Learning Support
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Presented information related to SB 107 and SB 139.

BRUCE JOHNSON, Executive Director
Alaska Council of School Administrators
Juneau, Alaska

POSITION STATEMENT: Provided information related to SB 107.

VALERIE BROOKS, Reading and Instructional Specialist
Ketchikan Gateway Borough School District
Ketchikan, Alaska

POSITION STATEMENT: Testified in favor of SB 107.

MICHAEL HANELY, Commissioner
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Provided information related to SB 139.

CHARLENE ARNESON, President
Chugach School Board
Chugach School District
Anchorage, Alaska

POSITION STATEMENT: Testified in support of an increase in the BSA.

JOEY ESKI, Chair
Academic Policy Committee
Aquarium Charter School
Anchorage, Alaska

POSITION STATEMENT: Testified in support of charter school funding.

DEBORAH WILLIAMS, Executive Director
Anchorage Youth Development Coalition
Anchorage, Alaska

POSITION STATEMENT: Testified in support of raising and inflation proofing the BSA.

LISA REGER, Cook Inlet Tribal
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 139.

MARIE MARX, representing herself
Juneau, Alaska

POSITION STATEMENT: Testified in support of an annual increase in the BSA.

DAVID BRIGHTON, Teacher
Kenai Peninsula Borough School District
Tyonek, Alaska

POSITION STATEMENT: Testified in support of increasing and inflation proofing the BSA.

TODD HINDMAN, Principal Teacher
Anvil City Science Academy
Nome, Alaska

POSITION STATEMENT: Testified in support of increasing charter school funding.

WES ANDREWS, School Counselor
Kenai Peninsula School District
Kenai, Alaska

POSITION STATEMENT: Testified in favor of increasing the BSA and inflation proofing.

GREG REYNOLDS, Executive Director
Southeast Career Consortium
Sitka, Alaska

POSITION STATEMENT: Testified on TVEP as found in SB 139.

TAMMI GANGULI, representing herself
Fairbanks, Alaska

POSITION STATEMENT: Testified in favor of increasing and inflation proofing the BSA.

ACTION NARRATIVE

[8:00:00 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, Dunleavy, and Chair Stedman.

SB 107-ESTABLISH K THROUGH 3 READING PROGRAM

8:00:51 AM

CHAIR STEVENS announced that the first order of business would be SB 107.

SENATOR DUNLEAVY moved to adopt the CS for SB 107, labeled 28-LS0916\U, as the working document.

CHAIR STEVENS objected for discussion purposes.

8:01:17 AM

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, presented changes to SB 107 on behalf of the sponsor. He began with page 2, line 5. A reference to "grade level expectations" was changed to "grade level standards in reading" at the request of the Department of Education and Early Development (DEED) to reflect new Academic State Standards.

He said that a section referencing accreditation was deleted at the request of DEED because many elementary schools do not go through the accreditation process. Section 3, at the bottom of page 2 of the bill, makes the reading program applicable to charter schools as well. Section 4, page 3, is consistent with the requirement that charter schools are required to participate in the reading program.

He related that on page 5, line 18, there was a previous reference to "periodically review diagnostic assessments" which was viewed by DEED as being too inhibitive. The reference to "diagnostic" was removed and now both screening and diagnostic assessments are reviewed, as determined through regulation. On page 5, line 29, (E) was removed. It required the department to provide textbook and curriculum recommendations, but now that will remain a district-level decision.

He explained that on page 6, lines 3 and 4, a reference to the department's providing instructional materials was removed and left to the district to decide. Also, "coaching services and strategies" was changed to "coaching services or strategies" in order to give the district and the department the option. On page 6, line 26, the reference to "diagnostic" assessments was deleted for reasons previously stated.

He explained that on page 9, line 25, because of a new teacher evaluation rating system, the reference to teachers having a

ranking of "effective or highly effective" was deleted. It now says "high rating."

8:05:00 AM

MR. RAMKIN noted that some progress has been made on SB 107. The sponsor has worked with the department and somewhat with districts, but would like to hear more from the districts on this bill. Some districts are already doing a lot of this work, particularly through Response to Instruction/Intervention (RTI). Kenai and Ketchikan school districts are doing a good job with RTI. The bill is an effort to explore the issue with districts who are struggling.

SENATOR GARDNER inquired about the change on page 9, line 25, to the wording where the teacher has a "high rating". She asked if it would be beneficial to define that rating.

MR. LAMKIN said it was part of the new teacher evaluation system. He assumed the definition was in regulation.

CHAIR STEVENS requested that DEED answer.

8:06:35 AM

SUSAN MCCAULEY, Ph.D., Director, Teacher and Learning Support, Department of Education and Early Development (DEED), Juneau, Alaska, presented information related to SB 107. She said the definition of "high rating" is one of four overall new teacher accountability regulations. It is likely one of the two ratings that indicate proficiency or higher, as demonstrated through the evaluation system.

CHAIR STEVENS asked if Dr. McCauley was comfortable with the wording "high rating" on page 9, line 25.

DR. MCCAULEY said yes.

SENATOR GARDNER summarized that the section is trying to ensure that a student who is not performing at grade level gets a highly effective teacher. She inquired if such a teacher would be available in a small school and what the consequences would be if that teacher were not available.

DR. MCCAULEY opined that the words "whenever practicable" are relevant. She said it is her understanding that the intent is to ensure that students are receiving reading instruction, when possible, from teachers who have high ratings on their most recent performance evaluation and who possess expertise in

reading instruction. This applies to early literacy years and there is a science to it.

SENATOR GARDNER hoped every child would have access to that instruction.

CHAIR STEVENS noted that many districts are already providing it. The bill would bring all districts into compliance on reading.

[8:10:09 AM](#)

DR. MCCAULEY clarified, on page 6, lines 3-5, the department's role in providing technical assistance and coaching services or strategies to school districts. This section of the bill addresses the department's responsibilities, whereas the latter half of the bill has more impact for districts. She thought it was important to hear from districts about their perception of their responsibilities. She said the department will provide coaching services or strategies.

CHAIR STEVENS said he hoped to hear from more superintendents and districts.

[8:12:04 AM](#)

SENATOR GARDNER questioned page 9, line 27, "when necessary, and with the approval of a student's parent, the student receives mental health support from a school psychologist, school social worker, or school counselor." She pointed out that some schools do not have access to any of those personnel.

CHAIR STEVENS called on Dr. Bruce Johnson to answer.

[8:13:27 AM](#)

BRUCE JOHNSON, Executive Director, Alaska Council of School Administrators, Juneau, Alaska, provided information related to SB 107.

SENATOR GARDNER repeated the question. She asked if all children enrolled in a public school have access to the abovementioned personnel.

DR. JOHNSON explained that all kids have access to those services, but they may not have immediate access or timely access. In some cases the services are delivered by itinerants or local providers in villages.

SENATOR DUNLEAVY said the provision Senator Gardner mentioned seems to be compelling language - the district must provide those services.

CHAIR STEVENS pointed out that it is a change to what is now being done. He asked the department to respond.

[8:15:34 AM](#)

DR. MCCAULEY explained that the words "when necessary" means when it is perceived by someone, such as a parent, as necessary for a student to receive mental health support, a district would need to ensure that it happens. The services could be provided on an itinerant service and not be timely. She suggested eliminating "when necessary".

SENATOR DUNLEAVY asked for clarification.

DR. MCCAULEY suggested "whenever practicable" might be worth consideration.

SENATOR DUNLEAVY said "when necessary" is compelling language and would cost money and possibly incur legal problems.

[8:18:23 AM](#)

CHAIR STEVENS offered to work on that issue.

He opened public testimony.

VALERIE BROOKS, Reading and Instructional Specialist, Ketchikan Gateway Borough School District, Ketchikan, Alaska, testified in favor of SB 107. She related that the district is in the sixth year of implementing Response to Instruction/Intervention Model (RTI). She said SB 107 delineates an RTI approach to student assessment, emphasizing the use of research-based programs to address students' below proficient skills, professional development opportunities for staff charged with implementing these programs and utilizing them for student instruction, and frequent progress monitoring to assess student performance to determine acceptable progress and to diagnose continued or altered instructional intervention.

She related that research, including her own, indicates that this approach to specific skills instruction and assessment can result in fairly rapid and significant increases in student academic skills across the curriculum and can aid in the determination of special needs status for students requiring this additional level of instruction and accommodation.

She voiced concern that additional reporting responsibility for districts and the mandated coaching services noted in the bill as department responsibility will not be funded adequately and thus become a burden on districts, rather than the support intended for increased instructional opportunities. She concluded that she hopes the committee and the department might solicit input from stakeholders responsible for implementing the RTI model of assessment and instruction. She applauded the focus on early literacy and reading instruction. She urged the committee to ensure that support for districts and the department is evident in materials, training, and funding.

CHAIR STEVENS thanked Ms. Brooks for her testimony and for her work. He noted the importance of hearing from districts.

[8:21:23 AM](#)

SENATOR DUNLEAVY he asked if the School Board Association or Council of School Administrators has an opinion.

DR. JOHNSON related that the state's superintendents were recently in Juneau and discussed SB 107 in relationship to regulations that have recently come from DEED that direct low-performing schools with designations of grades 1 - 3. He said much of what is included in the bill is captured in those regulations; however, he voiced appreciation for having them in statute. From a superintendent's perspective, they prefer that regulation and statute be melded so there is a system that works well and is clearly supported by the department. He added that technical assistance might be necessary, particularly in low-performing schools.

DR. JOHNSON stated that much of what is contained in SB 107 is done through the RTI model and not every district has that model in place. He stressed that districts are working hard on the issue. There were 1,100 individuals attending the most recent RTI conference, the third annual conference. Schools are taking this issue very seriously and a lot is being done in this area. He concluded that administrators remain willing to work with the sponsor, as well as with the department, on SB 107. He said there is no pushback from superintendents on the importance of the issue. He added that the emphasis should be on low-performing schools and districts, not adding a burden to schools where students are proficient.

[8:25:07 AM](#)

CHAIR STEVENS agreed that SB 107 should not be a burden on high-performing districts and schools. The goal should be to identify schools that need support.

SENATOR GARDNER agreed. She added that even a high-performing district and an excellent school might have a few kids who are struggling.

DR. JOHNSON agreed. He said most of those districts already have the RTI model that most of Alaska has adopted.

SENATOR DUNLEAVY asked how the bill would help a district that is not doing RTI.

[8:26:26 AM](#)

DR. JOHNSON replied that it is district dependent as to how closely they are aligned with regulations. The bill focuses on an important issue - getting all kids reading at the earliest level possible. It also provides flexibility to those who have things in place without adding extra burdens.

CHAIR STEVENS withdrew his objection. There being no further objection, version U was adopted.

CHAIR STEVENS noted a forthcoming fiscal note for version U. He held SB 107 in committee.

SB 139-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

[8:28:03 AM](#)

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

[8:28:08 AM](#)

SENATOR DUNLEAVY moved to adopt the CS for SB 139, labeled 28-GS2716\U, as the working document.

CHAIR STEVENS objected for discussion purposes.

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, Juneau, Alaska, presented changes to SB 139 on behalf of the sponsor. He began with Section 1, page 2, which is unchanged from the original version of the bill. It allows students to challenge a course for credit. Section 2 is also unchanged from version A. It provides for the removal of the Exit Exam and its reporting requirements. Section 3 remains the same and deals with the Exit Exam.

He said Section 4 remains the same and addresses the accountability system related to the Exit Exam repeal. At the bottom of page 4, a section was deleted which made reference to requiring an assessment in order to graduate. A student now does not have to take the ACT, SAT, or WorkKeys in order to graduate. At the regulatory level, it is required for students in the 11th grade to take WorkKeys and is paid for by the department. The bill provides for the option for students to take an assessment and the option for the department to pay for it.

CHAIR STEVENS asked if the diploma would still have WorkKeys on it.

MR. LAMKIN thought it was a district-level decision to include a WorkKeys score on the diploma.

He continued to explain that Section 5, on page 5, addresses the application of a charter school. The policy change in version U is that if a local school district denies a charter school application, rather than the Commissioner of Education having the final approval or denial, the Commissioner would instead review the application and forward the recommendation to the State Board of Education, who then would make the final decision on the application.

[8:31:22 AM](#)

He said that Section 7, on page 6, is the same as the original bill and repeals the requirement that charter schools report on the Exit Exam. Section 8, on page 6, is the same except for the deletion of the requirement for pupil transportation. Later in the bill is an option for the local school board to provide for pupil transportation. Section 9, on page 7, is the same except for the removal of duties of the board to establish regulations for an assessment - ACT, SAT, and WorkKeys.

He explained that Section 10 is the same as the original bill. Section 11, on pages 7 and 8, is the section that gives school districts the opportunity to negotiate with charter schools to provide pupil transportation services. It is an attempt to adapt a policy that would allow for some means of pupil transportation to be addressed. It is consistent with an amendment that was adopted in the other body. Section 12 remains the same and regards applications for residential boarding schools. Section 13 remains the same and regards the boarding school stipends. He understood that the Senate Finance Committee would determine the level of funding.

CHAIR STEVENS commented on the importance of allowing the Finance Committee to decide the level of funding.

8:33:29 AM

He said Section 14, on page 9, is a new section and addresses "equitable" charter school funding, a policy area that has been explored over a number of years. It regards having charter schools being considered a separate school within a district for funding purposes. Currently, their average daily membership (ADM) has to be 150 students or more to be considered a separate school; the change would lower the ADM to 75 students and would significantly increase the number of charter schools eligible for separate school funding.

He related that Sections 15-17 have to do with the Base Student Allocation (BSA). The chair is electing not to address changes in BSA funding at this time. The funding amount will be determined by the Senate Finance Committee at a later date.

He addressed Sections 18 and 19, the Technical Vocational Education Program (TVEP). In the original bill, the sunset date was in 2014, and version U would extend the sunset 4 years until 2018. Historically, the extension has been five years. The new CS also slightly changes the allocation structure of the regional training centers. Four of the current technical training centers have changed their names since the statute was originally adopted. The current names of those entities are now included in the bill. It merges the University of Alaska - Southeast (UAS) with the University of Alaska - statewide (UA), since the funding actually flows through UA. It also allows for improved Southeast Alaska representation of regional training centers.

He said Section 19 follows up with the TVEP funding in (8), on page 11, lines 16 and 17, to give the Department of Labor more teeth in requiring other performance and financial information from institutions. There is also intent to set up more performance measures and an audit of the institutions before the next sunset. Sections 20 and 21, regarding articulation agreements and dual credits for the training centers, remain the same.

He explained that Sections 22 - 33 have to do with tax credits. The change is at the request of the Association of Village Council Presidents and is found on page 12, line 6. The words "and operations" were added to accommodate non-profit tribal

organizations' involvement. On page 12, lines 13 and 14, the words "or a nonprofit tribal organization" were added. The same language is added throughout the bill in the tax credit section. On the bottom of page 12 and the top of page 13, the bill provides that if a corporate entity provides monies for early childhood programs, it can be applied as a tax credit. This language reflects amendments by the other body and applies throughout the tax section.

[8:38:16 AM](#)

MR. LAMKIN moved on to Section 34, page 20, line 20, where statutes establishing regulations for the Exit Exam are repealed. This is the same as in the original bill. Section 35 was transition language to allow for phasing out of the Exit Exam. Version U provides for retroactively awarding diplomas to students who passed all local requirements, but failed the exit exam. A student could contact the district to receive their diploma.

SENATOR DUNLEAVY questioned if it is retroactive to all students who have ever taken the exam.

MR. LAMKIN reiterated that it would be retroactive to those who have taken and failed the exam and passed all their course requirements.

SENATOR DUNLEAVY asked how many years it would go back to.

MR. LAMKIN said it would go back to 2004 when the Exit Exam was first offered. He noted that the number of students who failed the test after three attempts declined; he guessed there would be about 1,000 students.

SENATOR DUNLEAVY he asked if it would go back to the concept of the Exit Exam.

MR. LAMKIN said yes. He repeated the answer.

CHAIR STEVENS explained that making this change was difficult. He said it is a strange situation "if we say the Exit Exam is no longer necessary, we don't find it important, and we're doing away with it, yet we're forcing students to keep taking it." He said the change is an attempt to find the right way to make the provision retroactive.

[8:41:15 AM](#)

MR. LAMKIN continued with Section 36. He said the language stayed the same regarding the transition for charter school applications and appeal process. Section 37 is the same as in the original bill. Section 38 has the effective date for TVEP funding, which is the same as in the original bill. Section 39 regards the BSA 1 increase effective date and remains unchanged. Section 40 contains the effective dates for course challenging, BSA 2, and the TVEP reporting. He recommended that in Section 40, effective dates for Sections 19 and 21 regarding TVEP reporting should take effect immediately or July 1, 2014, due to the need to gather information about the new performance measures.

He said Section 41 is the effective date for BSA 3 and is the same as in the original bill. Section 42 contains the effective dates for the tax credits which are unchanged. Section 43 is the effective date of the bill.

[8:42:41 AM](#)

CHAIR STEVENS said it is a very comprehensive bill.

SENATOR GARDNER thanked Mr. Lamkin. She asked if the requirement for SAT/ACT and WorkKeys is removed.

MR. LAMKIN said correct.

SENATOR GARDNER referred to letters regarding a proposed TVEP site in Southeast Alaska asking for 5 percent funding to come out of UAS TVEP funding. She asked if that specific facility is included in Section 18, on page 10, with the sites whose names have changed or been added.

MR. LAMKIN replied that Southern Southeast Alaska Technical Education Center has been added.

SENATOR GARDNER asked if that is the group that has been contacting the legislature.

MR. LAMKIN believed so. He noted they were online to testify.

SENATOR GARDNER referred to Section 22, page 12, regarding funding a scholarship by a nonprofit organization to a dual credit student. She inquired if there are any such scholarships in place now and if they are open to all students or only to tribal members.

MR. LAMKIN said he could not speak about tribal scholarships, but he expected that there are such scholarships. The bill would add an incentive for there to be more.

SENATOR GARDNER voiced concern about providing a state tax benefit for tribal scholarships. She wanted everyone in the region to be able to qualify.

[8:45:36 AM](#)

MICHAEL HANELY, Commissioner, Department of Education and Early Development (DEED), Juneau, Alaska, provided information related to SB 139. He began with an explanation for the removal of the requirement for the ACT, SAT, or WorkKeys. Currently, the requirement for WorkKeys in the 11th grade is in regulation and will still be required.

CHAIR STEVENS clarified that the diploma for all kids will have a WorkKeys score.

COMMISSIONER HANLEY said it would be on the student's transcript, not diploma. He added that the three assessments are qualification tools for the Performance Scholarship.

[8:48:40 AM](#)

SENATOR GARDNER questioned whether students would graduate if they don't take WorkKeys in 11th grade.

COMMISSIONER HANLEY said he would have to look at the regulations.

SENATOR GARDNER commented that she was opposed to the test requirement in order to receive a diploma.

COMMISSIONER HANLEY addressed the charter school application on page 5 and 6. In the original bill the appeal would go to the Commissioner who had three choices; to remand the appeal back to local school board for further review, to approve the application, in which case it would go to the state board with a recommendation for approval from the Commissioner, or to confirm a denial and the state board would ultimately make the final decision. In version U, the three choices are still in place. He said he is not clear on how that has changed.

[8:51:34 AM](#)

MR. LAMKIN explained that the intent is to allow the State Board of Education to have the final say; the original bill said the Commissioner would have the final say on a denial. He related

that if a local school board denies a charter school application, the appeal is made to the Commissioner who would then come up with a recommendation to the State Board, who would ultimately decide. In the original bill, if the Commissioner said no, it would end there.

COMMISSIONER HANLEY said they are very close in language and intent. In current statutory language if a Commissioner denies an appeal, that stops the process, but it still goes to the State Board, but not for the opportunity to approve. He suggested the intent of the new version of the bill might be that the Board would review the Commissioner's decision independently. He maintained that, ultimately, all denials and approvals go to the Board. Approvals receive final approval; denials are for information's sake.

CHAIR STEVENS suggested working on the language.

COMMISSIONER HANLEY offered to work with the sponsor on it.

8:53:55 AM

CHAIR STEVENS brought up page 9 in the CS, changing the student count to 75 students instead of 151. He requested Commissioner Hanley's response.

COMMISSIONER HANLEY stated that the change removes a size restriction barrier for some charter schools. He described Ketchikan's charter schools and their efforts to hit the 151 mark. The mark is a barrier that is starting to drive programs. The change to 75 students allows a charter school to receive 95 percent of the funding and it provides additional flexibility for smaller schools. If put into practice today, the total cost would be \$200,000 of additional funding and it would impact two charter schools.

8:56:30 AM

COMMISSIONER HANLEY spoke to the Exit Exam on page 20, line 23, the retroactive issuance of a high school diploma. He said everyone agrees that at this point in time in the educational system, the Exit Exam no longer has a value. However, the retroactive policy decision seems to state that in 2004 it had no purpose. He stated that the Exit Exam did have a purpose and met an important requirement to set measureable standards. He suggested the committee consider previous powerful testimony from parents who shared stories of students who failed the Exit Exam, but worked hard and came back to pass it, and who now see that their peers do not have to take it. He did not see a legal

challenge to the provision, but disappointment for those who had to come back to re-take it.

CHAIR STEVENS agreed there once was a value to it. He questioned how to deal with it now; still require the test.

COMMISSIONER HANLEY offered the suggestions to minimize the transition language or minimizing the retroactive part - only go back a few years.

SENATOR GARDNER agreed that there is no way to be completely fair. She suggested doing the best outcome for the most people.

[9:01:01 AM](#)

COMMISSIONER HANLEY addressed the removal of charter school pupil transportation on page 8. He read, "A school district that provides transportation services under this section shall provide transportation services to students attending a charter school operated by the district under a policy adopted by the district." He stressed the idea is equity and this language changes what was in the original bill but still meets the intent.

SENATOR GARDNER said she is troubled by the fact that districts are going to provide transportation to neighborhood schools and anticipate a path for transportation to charter schools, but do nothing for the non-charter alternative schools.

COMMISSIONER HANLEY agreed. He said if he was a parent of a student in an alternative school that received no transportation there should be a strong local conversation or a state level conversation.

[9:03:14 AM](#)

COMMISSIONER HANLEY said the other changes mentioned fit the intent of the bill.

CHAIR STEVENS asked for his thoughts on TVEP.

COMMISSIONER HANLEY turned to TVEP on page 10. He pointed out that the original bill did not address the recipients of TVEP funds, which falls to Department of Labor and Workforce Development. He said the component added on page 11, line 16, fits into language that was originally in the bill. Line 8 and line 12 recognize that dual credits should be offered and there should be an articulation agreement with high schools. It adds requirements for entities that receive TVEP funds.

[9:05:11 AM](#)

CHAIR STEVENS requested comments on the tax credit.

COMMISSIONER HANLEY turned to pages 12 and 13 and stated that childhood early learning and development programs are appropriate for the use of tax credits. He noted it is up to the Department of Revenue to oversee. He added that "educational support to childhood programs" is a corporation applying for a tax credit and the Department of Revenue understanding that it fits the intent of the bill. He opined that it seems broad and appropriate and would allow not only nonprofit preschools, but also educational support programs like Best Beginnings and Parents as Teachers.

SENATOR GARDNER asked if there are any existing scholarship programs for students going to residential schools.

COMMISSIONER HANLEY said he was not aware of any.

[9:07:27 AM](#)

CHAIR STEVENS withdrew his objection. There being no further objection, the motion carried.

He opened public testimony.

[9:08:43 AM](#)

CHARLENE ARNESON, President, Chugach School Board, Chugach School District, Anchorage, Alaska, testified in support of an increase in the BSA. She said the success of schools depends on a proposed funding increase in the BSA found in SB 139. This funding will help to pay for rising transportation, energy, and personnel costs. If the BSA remains unchanged, district funds will be stretched thin and it will result in cuts.

[9:11:36 AM](#)

JOEY ESKI, Chair, Academic Policy Committee, Aquarium Charter School, Anchorage, Alaska, testified in support of charter school funding. She noted that charter schools run on tight budgets due to inconsistent interpretation of the law. She provided the history of charter school laws. She listed two areas where charter school laws would benefit from being updated; program funding and facilities. She maintained that SB 139 creates equal access to funding for charter schools. She suggested adding a per pupil facilities allowance to the bill.

[9:16:15 AM](#)

DEBORAH WILLIAMS, Executive Director, Anchorage Youth Development Coalition, Anchorage, Alaska, testified in support of raising and inflation proofing the BSA. She read a resolution stressing the importance of funding education and in raising the BSA to reflect inflation to ensure success of students and to prevent cuts. She listed the signers of the document.

[9:20:21 AM](#)

LISA REGER, Cook Inlet Tribal, Anchorage, Alaska, testified in support of SB 139. She addressed transportation needs of charter schools and the barrier that lack of transportation funding is. She also stated support for equity in facilities.

[9:21:27 AM](#)

MARIE MARX, representing herself, Juneau, Alaska, testified in support of an annual increase in the BSA. She said she graduated from Juneau Douglas High School and is a parent of two children currently in the Juneau School District. She noted she has served on school site councils for about seven years and currently chairs the DZ Middle School Site Council. She thanked the legislature for investments made in education. She maintained that schools need a predictable, annual increase to the BSA to allow schools to keep up with rising costs. The current system, a one-year boost in funding, undercuts the schools district's ability to do long-range financial planning.

She listed the successes in the Juneau School District including increased graduation rate and a decreased dropout rate. At DZ Middle School, the test results are the highest they've ever been. Because of the current flat funding model, programs and services will be lost. She requested an annual, predictable increase in public education funding sufficient to keep up with rising costs. It is crucial for long-range financial planning.

[9:23:13 AM](#)

DAVID BRIGHTON, Teacher, Kenai Peninsula Borough School District, Tyonek, Alaska, testified in support of increasing and inflation proofing the BSA. He described the difficulties in the RTI program because there was not a teacher the first semester of the year. He asked for inflation proofing of the BSA and an increase in funding in order to prevent similar cuts. It would make a difference in a small village school.

[9:24:45 AM](#)

TODD HINDMAN, Principal Teacher, Anvil City Science Academy, Nome, Alaska, testified in support of increasing charter school funding. He said he was thankful and happy to see proposed

legislation that provides flexibility for the implementation of new charter schools and continued operation of well-established programs. Two of the more common challenges charter schools face are beginning to be addressed - facilities and financing.

He echoed previous comments that more needs to be done to ensure charter school funding makes its way directly to charter school classrooms and students. He hoped the Governor and the legislature would continue to seek ways to strengthen current charter school statutes that provide accountability that charter schools should be held to by local school districts. He thanked the committee for the time to speak.

[9:25:52 AM](#)

WES ANDREWS, School Counselor, Kenai Peninsula School District, Kenai, Alaska, testified in favor of increasing the BSA and inflation proofing. He said school counselors are often in the position where cuts are made. He stressed that counselors provide an essential service.

[9:27:35 AM](#)

GREG REYNOLDS, Executive Director, Southeast Career Consortium, Sitka, Alaska, testified on TVEP as found in SB 139. He addressed Section 18 - the TVEP portion - and said he agrees with the changes, with one exception. The Southeast Career Consortium is not included in the list, even though it is a regional training center for Southeast Alaska. He said TVEP was set up to support regional training centers and SCC was there at TVEP's inception. As of yet, SCC has not been able to participate. He noted the last two organizations on the TVEP list are not regional training centers. He requested to be included.

CHAIR STEVENS thanked Mr. Reynolds and said he would continue to work on ways to bring new organizations into TVEP. He thanked him for his comments.

[9:29:44 AM](#)

TAMMI GANGULI, representing herself, Fairbanks, Alaska, testified in favor of increasing and inflation proofing the BSA. She described the effects of flat funding district schools resulting in increased class size. She asked if the BSA increase on page 9, line 25, is the Governor's proposal.

CHAIR STEVENS said it is the Governor's proposal. Other bills have a higher amount. The intention is to send all of those on to the Finance Committee to decide the dollar amount.

MS. GANGUIL requested that the dollar amount for the BSA increase should be much higher - over \$400 - and sustained from year to year and inflation proofed. The Governor's proposal in SB 139 is a step in the right direction, but not high enough. She noted there is an \$8 million shortfall in Fairbanks and a loss of over 30 teachers. She described the difficulties of the magnet school's ability to function, such as losing eight course offerings and support staff.

9:35:45 AM

CHAIR STEVENS closed public testimony and held SB 139 in committee.

9:36:07 AM

There being no further business to come before the committee, Senator Stevens adjourned the Senate Education Standing Committee at 9:36 a.m.