

ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE EDUCATION STANDING COMMITTEE
SENATE EDUCATION STANDING COMMITTEE
HOUSE JUDICIARY STANDING COMMITTEE
SENATE JUDICIARY STANDING COMMITTEE

February 13, 2013
1:32 p.m.

MEMBERS PRESENT

HOUSE EDUCATION STANDING COMMITTEE

Representative Lynn Gattis, Chair
Representative Lora Reinbold, Vice Chair
Representative Gabrielle LeDoux
Representative Harriet Drummond

SENATE EDUCATION STANDING COMMITTEE

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

HOUSE JUDICIARY

Representative Wes Keller, Chair
Representative Bob Lynn, Vice Chair
Representative Neal Foster
Representative Gabrielle LeDoux

SENATE JUDICIARY

Senator John Coghill, Chair
Senator Lesil McGuire, Vice Chair
Senator Fred Dyson
Senator Donald Olson
Senator Bill Wielechowski

MEMBERS ABSENT

HOUSE EDUCATION STANDING COMMITTEE

Representative Dan Saddler
Representative Paul Seaton
Representative Peggy Wilson

SENATE EDUCATION STANDING COMMITTEE

Senator Gary Stevens, Chair
Senator Bert Stedman

HOUSE JUDICIARY

Representative Charisse Millett
Representative Lance Pruitt
Representative Max Gruenberg

OTHER MEMBERS PRESENT

Representative Tammy Wilson
Senator Pete Kelly
Senator Click Bishop

COMMITTEE CALENDAR

PRESENTATION: EDUCATION REFORM & SCHOOL CHOICE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

Richard "Dick" Komer, Senior Attorney
Institute for Justice (IJ)
Arlington, Virginia

POSITION STATEMENT: Participated as a guest speaker at the presentation on education reform and school choice.

KEVIN CHAVOUS, Executive Counsel
American Federation for Children (AFC)
Washington, D.C.

POSITION STATEMENT: Participated as the special guest speaker at the presentation on education reform and school choice.

DR. PATRICK WOLF, PhD, Professor of Education
University of Arkansas
Fayetteville, Arkansas

POSITION STATEMENT: Participated as a guest speaker at the presentation on education reform and school choice.

ROBERT ENLOW, President and Chief Executive Officer
Friedman Foundation for Educational Choice
Indianapolis, Indiana

POSITION STATEMENT: Participated as a guest speaker at the presentation on education reform and school choice.

DR. BENJAMIN SCAFIDI, PhD, Associate Professor
Georgia College & State University
Milledgeville, Georgia

POSITION STATEMENT: Participated as a guest speaker at the presentation on education reform and school choice.

ACTION NARRATIVE

[1:32:43 PM](#)

CHAIR JOHN COGHILL called the joint meeting of the House and Senate Education Standing Committees and the House and Senate Judiciary Standing Committees to order at 1:32 p.m. Present at the call to order from the House Education Standing Committee were Representatives LeDoux, Reinbold, Drummond, and Gattis. Present from the Senate Education Standing Committee were Senators Gardner, and Dunleavy; Senator Huggins arrived as the meeting was in progress. Present from the House Judiciary Standing Committee were Representatives LeDoux, Lynn, and Keller; Representative Foster arrived as the meeting was in progress. Present from the Senate Judiciary Standing Committee were Senators Coghill, Wielechowski, Olson, and Dyson; Senator McGuire arrived as the meeting was in progress.

Presentation: Education Reform & School Choice

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CHAIR COGHILL announced that the only order of business would be a presentation on education reform and school choice.

[1:37:08 PM](#)

RICHARD "DICK" KOMER, Senior Attorney, Institute for Justice (IJ), said IJ is a non-profit public interest law firm and considers itself to be "the lawyers to the school choice movement," and that he has been working in this arena for 20 years assisting legislators interested in creating school choice programs. Advice is based on state law precedents as interpreted in each state's constitution. Assuming a state

program is passed, IJ will assist in the defense of any legal challenges that arise; typically lodged by parents who want to make use of scholarships provided by school choice programs. He reported that IJ is currently defending five programs that have been passed in Arizona, Colorado, Indiana, Louisiana, and New Hampshire. Four of these states have a constitutional provision similar to the Blaine Amendment that the legislature is seeking to modify in the Alaska Constitution. Four of the named states are citing a breach of the Blaine Amendment, and seeking to have the action declared unconstitutional. Louisiana repealed the Blaine Amendment that had been part of their constitution, and he noted that the states of Arkansas and New Jersey did the same. Repealing the Blaine Amendment is not an unprecedented action, further, he said it was originally enacted to rebuff the efforts of Catholics to obtain equal, direct, funding for schools of the diocese. The key term is "direct" and will be addressed further, he pointed out. At the time, the public schools were non-denominational, Protestant facilities. Hostility existed between these two factions in the 1840s and the Blaine Amendment was created out of this strong anti-Catholic atmosphere. It has been said that the judiciary branch is the least dangerous branch of the government; however, it does have the final word on interpreting the meaning of constitutional and statutory language. When a constitutional provision has been challenged and received a judicial ruling, the only recourse that the people have is to amend the constitution in order to change the language that the court has interpreted. He opined that the language in the Alaskan Constitution could be argued as being misinterpreted by the Alaska Supreme Court, and suggested that it was never meant to prohibit school choice programs. He said this occurred through the arguments and decisions that occurred in two law suits: Matthews v. Quinton, (Alaska 1961) (Matthews), finding a statute authorizing transportation of non-public school pupils on public school buses violated Alaska's Constitutional provision prohibiting expenditure of public funds for the direct benefit of any religious or other private educational institution; and Sheldon Jackson College v. State, (Alaska 1979)(Sheldon Jackson College) which concluded that a state's tuition grant program, awarding students a difference between tuition charged by a private college and a public college, violated the state constitutional prohibition of using public funds for direct benefit of religious or other private educational institutions.

MR. KOMER continued and said that the problem arises from the Alaska Supreme Court's interpretation of one sentence in particular, which reads: "No money shall be paid from public

funds for the direct benefit of any religious or other private educational institution." The term "direct benefit of" has been interpreted by the Alaskan court to include assistance provided to students and their families if that assistance can be used for private educational institutions. He said it is necessary to interpret "direct" and it is found in other state constitutions, often in conjunction with "indirect." In the course of considering this provision, the Alaska constitutional convention considered and rejected inclusion of "and indirect;" encompassing some other additional sorts of aid beyond direct assistance. Direct aid is when the state makes grants available to private institutions, at either the elementary or postsecondary level. Indirect aid suggests that the benefit is provided on behalf of the parents to the religious or private institution. He suggested that comparing these two statements clearly indicates the contrast of the two terms. However, the Supreme Court has interpreted the constitutional language of direct to also encompass indirect assistance and that is why "it must go," he opined. If you want school choice in Alaska you will need to change this language, as the legislature cannot overrule the Supreme Court's interpretation.

MR. KOMER explained the history of federal jurisprudence in conjunction with state constitutions. Reaching parallel conclusions has proven difficult along with finding clarity for whether the federal constitution allows school choice programs. However, the U.S. Supreme Court decision on Zelman v. Simmons-Harris, 536 US 639 (2002) (Zelman) clarified that scholarship type programs are allowed under the Federal Establishment Clause; a ruling which has essentially opened the state to not be challenged in federal court. The federal constitution does not allow direct, unrestricted grants to private, religious schools or colleges. Because of the Zelman case it does allow student scholarships to be provided to families where the parents make a free and independent choice of school as long as the program, in which they are making that choice, is religiously neutral. The Zelman standard would be the effective legal standard in Alaska, if the Blaine Amendment is eliminated; direct aid is not allowed to religious schools but aid can be provided for families. Finally, he described and emphasized how a Federal Pell Grant is issued directly to an institution and underscored that it is provided as satisfaction for the benefit of a families' contractual obligation to the school, not as direct aid to the college.

[1:58:40 PM](#)

SENATOR WIELECHOWSKI asked if private schools accepting public money are subject to state rules, such as the antidiscrimination provisions; has there been a ruling.

MR. KOMER responded that there exists a civil rights law which applies to all private colleges and institutions prohibiting discrimination based on race, religion, or national origin. It was passed after the civil war, and applies regardless of whether state dollars are accepted, Runyon v. McCrary, 427 U.S. 160 (1976)(Runyon). Nondiscrimination requirements are not based entirely on whether federal dollars are received, and state law can attach civil rights provisions. He noted that there are reasons why the public education requirements are not imposed in most states, which is why Wellesley College is allowed to continue as a single sex institution.

[2:03:38 PM](#)

KEVIN CHAVOUS, Executive Counsel, American Federation for Children (AFC), spoke in support of repealing the Blaine Amendment and said it stands in the way of reaching the educational goals that the legislature finds important for Alaska. Providing a brief background, he relayed that he was a member of the District of Columbia (D.C.) council for 12 years, 1993-2005, and served for eight of those years as chairman of the education committee. During 1996-97, he led the effort to establish charter schools in D.C. The district has one of the most prolific and substantial charter school laws in the nation, and, as a result, nearly 45 percent of the public school students are in attendance. In 2003, he reported working in conjunction with the President, U.S. Secretary of Education, and the mayor of D.C., to form a partnership, with a three sector strategy. The federal government agreed to provide D.C. annual funding of \$50 million, to be divided equally and disbursed in thirds to the cities traditional school system; charter schools, particularly for facilities funding; and as support of the voucher/scholarship program, providing approximately \$7,500 in tuition assistance to the city's acutely impoverished children. As a result of the voucher program, today nearly 2,000 children are benefiting, and, he opined, that demographically these are children who may otherwise have dropped out and not succeeded in completing school. Current statistics indicate a 94 percent graduation rate, which is 40 points higher than the D.C. public school system, and 89 percent are tracked as college attendees. Through this experience, he said, came the understanding of the value for educational choice, which is now a movement he passionately pursues and has become totally immersed in. He

said children are being done a vast dis-service by not allowing them to maximize their human potential. He suggested that it is important to consider the context of the proposal before the committee. Thirty years after the publication of "A Nation at Risk: The Imperative for Educational Reform," A Report to the Nation and the Secretary of Education, United States Department of Education, by The National Commission on Excellence in Education, 1983, America's education system output has worsened. Through this experience, he said, three truisms have been proven. First: nearly half of the children of color drop out of school; the national fourth and eighth grade scores are down; fewer advance placement (AP) courses are being offered; and most troubling is that the U.S. is becoming less competitive on a global front with other industrialized nations. He reported that nearly 7,000 high school students drop out each day in America, or 1.2 million per year. Alaska spends more per capita for education than any other state, yet achievement ratings are among the worst in the nation. He opined that there should be an immense sense of urgency for action that is radical, bold, and meaningful and that this is not a time for incrementalism. Second: A school bureaucracy will not reform itself from within, he said, "they never have, and they never will." Reform occurs only when external pressures are brought to bear, and the best means to affect change is through choice. Third: In the cities where educational reform has taken place, the public schools have also improved; debunking the notion that educational choice programs negatively impact traditional public schools. He said that Milwaukie has the longest running scholarship program. The public schools are still the primary educational institutions, and from 2003-09, graduation rates have improved from 49 percent to 70 percent. He opined that the Milwaukie public schools scholarship program, now in its twentieth year, provided a jump start for educational reform. Florida implemented robust reform measures that allowed 50,000 children to attend quality schools. From 1998-2007, data indicates a marked improvement in reading scores at the fourth grade level, up from 53 to 71 percent. Louisiana started a New Orleans scholarship program five years ago, and expanded statewide one year ago. The results have brought monumental change with 10,000 parents making application on behalf of their children. Indiana has a statewide program and, he said something occurred there that has not happened anywhere else. Indianapolis has the worst performing schools in the nation, and when Indiana passed the reform measures to allow charter schools, the public schools paid for advertisements "to remind parents that they could educate their children, too." Education of choice provides the impetus for reforms that otherwise

wouldn't take place, he stressed. The sense of urgency means that it is necessary to figure out a way to "fly the plane at the same time as we fix it." Finally, he said, the biggest barrier to change is not with the institutions, but with the political partisanship that has crept into the arena. The yard stick for measure, that he suggested using, is to ask the question whether a proposal, democratic or republican, will help children.

2:17:06 PM

SENATOR GARDNER pointed out that Alaska currently offers educational alternatives in the form of magnet, specialty, home, correspondence, and charter schools. She said charter schools require a grassroots, community approach for leadership, which may come from the public or teachers working with the school district. The terminology may be what makes these schools different from what the speaker is describing, and she asked for clarification.

MR. CHAVOUS acknowledged that Alaska has a variety of schools, but each is in conjunction with the public schools. He suggested that opportunities for children should not be limited to the scope offered by public schools, as private institutions may be available that could meet an individuals' needs, which otherwise may not have been possible. Children respond to different learning modalities, he stressed, and institutions should be laboratories to discover ways to meet learning needs and should not be limited or trumped by adult interests.

2:19:12 PM

SENATOR WIELECHOWSKI inquired if it would be better to completely privatize the school system, and whether AFC supports providing parents a check to allow them to make an educational choice for their child.

MR. CHAVOUS responded no, an organization should not dictate parental choice. He emphasized the need for a variety of choices with the focus on cultivating quality education services. If the best possibility is with a public school, AFC would support that option, he said.

2:20:35 PM

SENATOR DUNLEAVY queried who or what groups oppose putting children first.

MR. CHAVOUS the opposition usually arrives through the traditional education establishment, or through partisan politics; he underscored the need to elevate the importance of a child's education above the political floor.

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SENATOR WIELECHOWSKI asked if there are any public school systems located in low income areas that are working; without charter schools or a voucher system. If so, what can be gleaned from their example, and if not are charter schools and vouchers the only solution.

MR. CHAVOUS cautioned against using the term "only," and said a host of solutions are necessary in order to provide choice; however, there are no urban school districts that are working for children; none can report success levels of 80-90 percent. He suggested that the view of success has been dumbed down, and superintendents now get contract renewals based on their ability to show a 5-7 percent increase. If 65 percent of the children in a district are proficient, that does not represent success, he opined. He defined proficient to mean reading at grade level.

[2:24:42 PM](#)

SENATOR MCGUIRE said the school movement has been referred to as a modern civil rights movement. She said that children are attending private school based on the ability of parents to pay tuition. She expressed concern for providing the state allocated funds for educational choice, and questioned whether the public school system would be degraded by such action.

MR. CHAVOUS cited the history of the movement and said it has been shown that not only do the children benefit, but the states have saved money. The charter movement began 20 years ago and has continued to expand. Experience does not indicate a mad rush to alternative programs, but it does put pressure on the established system to perform. Rather than the ruination of the public schools, the movement appears to be the salvation.

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REPRESENTATIVE LEDOUX agreed that the public schools would not experience a mass exodus, and asked if vouchers might become a

subsidy program for parents who are already affording an education of choice.

MR. CHAVOUS answered that states handle it in different ways when creating parameters for the voucher system. He suggested that parent means be tested to ensure that the neediest students are prioritized.

REPRESENTATIVE LEDOUX surmised that what AFC advocates is not an all-encompassing choice but one limited by means testing, or for schools that are failing.

MR. CHAVOUS clarified that the failing school model doesn't work, because measures can be taken to skew reality. However, means testing is a preferable method.

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DR. PATRICK WOLF, PhD, Professor of Education, University of Arkansas, paraphrased from a prepared document, which read as follows [original punctuation provided]:

In addition to my position as a professor at the University of Arkansas, I also am a consultant to the U.S. Department of Education regarding the design and implementation of rigorous evaluations of education programs. I want to make it clear that I am speaking to you today in my capacity as a scholar. The opinions that I share with you do not necessarily represent any official positions of the Obama Administration, the U.S. Department of Education, or the University of Arkansas.

Today, 31 private school choice programs, funded by direct government appropriations or tax-credits, serve 245,000 children nationally. I have spent the past 14 years studying such programs, especially the school voucher programs in Milwaukee and the District of Columbia.

Last year my research team released the final reports from our longitudinal evaluation of the nation's first school voucher program, the Milwaukee Parental Choice Program. Established in 1990, the Choice program enrolled 25,000 students in 113 private schools of their parents' choosing in 2012.

Through careful scientific analysis, we were able to determine that the students in the Milwaukee Parental Choice Program outgained similar Milwaukee Public School students in reading over a four-year period, though achievement gains for the two groups were similar in math.

Importantly, we also confirmed that Choice students outperformed public school students in educational attainment. Just as educational achievement is a measure of how much you know in school, educational attainment is a measure of how far you go in school. It is commonly measured by important benchmarks such as high school graduation, college enrollment, and persistence in college.

The students in the Milwaukee Parental Choice Program attained all of these important benchmarks at rates that were 4-7 percentage points higher than comparable Milwaukee public school students. The public school students in our Milwaukee study enrolled in college at the rate of 25 percent, so the fact that the Choice students attended college at the higher rate of 30 percent represents a 20 percent increase in college enrollment rates for low-income Milwaukee students due to the Choice program.

These higher educational attainment rates for Choice students are important because young people who go farther in school do better in life. Students who graduate from high school live longer, earn more money during their lifetime, and are less likely ever to be divorced, unemployed or incarcerated than students who do not graduate.

Through the course of our study we also determined that the Choice program generated competitive pressure on Milwaukee Public Schools that led to increases in student achievement even for the public school students who never participated in the program. School choice in Milwaukee generated a rising tide that lifted all boats.

What is perhaps most amazing about the Milwaukee Parental Choice Program is that it produced all of these positive outcomes -- higher reading scores and graduation rates for Choice students and higher

achievement scores for public school students -- while saving Wisconsin taxpayers money. The maximum amount of the Milwaukee voucher has hovered around \$6,500 for the past five years, a period during which the average amount spent on each Milwaukee public school student surged from \$12,000 to \$15,000. Because the value of the private school voucher in Milwaukee is so much less than per-pupil spending in the public schools, my research team was able to determine that the operation of the Choice program saves Wisconsin taxpayers over \$52 million per year.

So our final verdict on the Milwaukee Parental Choice Program is that it produced better outcomes for students at lower cost to the state.

Such encouraging results are common when researchers use scientific methods to evaluate school voucher programs. The generally positive effects of private school choice are similar for both government-financed voucher programs and tax-credit financed scholarship programs. As reported in Education Week last year, of the 10 gold-standard experimental evaluations of voucher and voucher-type programs, 9 have reported achievement gains from the voucher program for all or some subgroups of participating students. For example, in an evaluation of the DC Opportunity Scholarship Program that I led for the U.S. Department of Education we found that, after three years, students who used the federally-sponsored vouchers gained an additional 4.5 months of learning compared to students in the control group.

The DC choice students also graduated from high school at much higher rates than control group students. The impact of using a DC school voucher was to increase the likelihood of a student graduating from high school by 21 percentage points, from 70 percent to 91 percent. That represents a 30 percent gain in the high school graduation rate for a highly disadvantaged group of students.

David Figlio of Northwestern University is conducting a rigorous longitudinal evaluation of the Florida statewide Tax-Credit Scholarship Program which helps over 50,000 low-income students enroll in private schools. He has found that the school choice program

has produced a statistically significant increase in the reading achievement of participating students. Although math achievement also is higher among the students exercising school choice in Florida, that difference is not quite statistically significant at normal confidence levels. In Milwaukee, DC, and Florida, we see very similar findings that private school choice increases student reading scores. No rigorous study of private school choice programs has ever found that they harmed students academically.

Moreover, study after study, of both voucher and tax-credit scholarship programs, has shown that public schools deliver better educational results for their students when they face competition from private school choice. Of 20 rigorous studies of the competitive effects of private school choice on public schools, 19 of them documented that competition led to an increase in student performance.

Another finding that is absolutely undeniable is that private school choice programs serve highly disadvantaged students, because they are designed to do so. Of the 31 voucher and tax-credit scholarship programs in the U.S., 18 are means-tested so that they serve lower-income families. A total of 6 programs are limited to students in underperforming public schools. Two programs, in New Orleans and the state of Ohio, are doubly targeted specifically to low-income students in poor-performing public schools. Nine voucher programs are limited exclusively to students with disabilities. Those special needs voucher programs enroll over 14 percent of all school voucher users.

Let's take a quick look at the students who participated in the DC voucher program beginning in 2004. Over 99 percent of them were African American or Hispanic American. Their average annual family income was just over \$17,000 -- in Arkansas we call that "dirt poor." Only 6 percent of the mothers of participating students had college degrees. Over 17 percent of the participating students had a diagnosed disability. The students served by this federal school choice program were highly disadvantaged.

At the start of our Milwaukee study, in 2006, we had to match up the voucher students in our panel with a lower-performing segment of public school students because the voucher children were so much more disadvantaged than their public school peers. As my colleague John Witte likes to say, "The evidence is overwhelming that voucher programs do not cream the best and the brightest kids. In fact, it is the opposite. They attract more disadvantaged students out of the public schools."

Researchers also have examined the effect of school vouchers or private schooling on civic values such as racial integration, political tolerance, and voluntarism. The voucher programs that have operated in major cities have either improved the racial integration of schools or have had no effect on integration, positive or negative. Such programs often improve racial integration because they allow minority students to leave overwhelmingly minority public schools for private schools with fewer minorities.

Studies of the effect of private schooling on political tolerance similarly tend to report either positive effects or no net effect. Research has confirmed that students and adults volunteer in their communities at higher rates if they have exercised private school choice.

One of the strongest positive impacts of school choice programs is on parent satisfaction with schools. Every study that has asked the question has found that parents are much happier with their child's school if they played a role in choosing it. In my DC study we found that 80 percent of voucher parents graded their child's school A or B compared to just 50 percent of the parents of control group students.

In sum, private school choice programs disproportionately serve disadvantaged students. They deliver a variety of educational benefits to them under most circumstances. They spur affected public schools to improve. Parents love them! They tend to enhance and not undermine the public purposes of education and deliver education more efficiently.

Mister Chairman and members of the committee, I can throw impressive school choice statistics at you all afternoon, but to get a clear idea of what a voucher program does for families, we also conducted focus groups with parents and older students participating in the school choice programs we evaluated. I will conclude with a quote from a parent of a student in the DC voucher program explaining why the program was important to her:

"When my son dressed in that uniform with that green blazer, the white shirt, tie, gray trousers and he looked like a gentleman and a scholar and he had his hair cut and his glasses and he was just grinning from ear to ear that he was going to be a part of that [private school culture] and he went to school that day and he was excited about going to school."

[2:45:34 PM](#)

SENATOR GARDNER reported that for-profit charter schools do not report a history of success, and asked whether these facilities have been studied.

DR. WOLF indicated that all charter schools are organized as not-for-profit, but not all private schools take a not-for-profit stance. He pointed out that some public charter schools have for-profit management organizations, but declined comment, as his familiarity and expertise is with the private school choice through voucher programs.

[2:47:28 PM](#)

ROBERT ENLOW, President and Chief Executive Officer, Friedman Foundation for Educational Choice, Education choice referred to the committee handout titled "Some Fiscal Issues and School Choice," directed attention to page 3, and said the presentation provides a financial roadmap and responds to whether school choice harms state/local school district budgets. The first graph, titled "Growth in Students and Public School Personnel United States, FY 1950 to FY 2009," indicates that, during this period, the number of students increased by 96 percent, while the total school personnel grew by 386 percent. He said the personnel number can be broken down further to understand the increase of teachers, 252 percent, and administrators and other staff, 702 percent. He pointed out that the second graph, "Growth in Students and Public School Personnel United States,

FY 1992 to FY 2009, indicates a continuation of the trend with a student increase of 17 percent, and a more than double increase in school personnel of 39 percent. He stressed that since 1950 the increase in personnel, particularly administrative personnel, has been dramatic. The students' achievements did not rise between 1970 and 2009, primarily remaining flat, and in some instances show as worsened. He pointed out that the No Child Left Behind Act (NCLB) did not require an increase in administrative staff to this extent, and, as illustrated, American public schools are more top-heavy than other wealthy nations. He moved through the graphs to address how Alaska can be compared, beginning with a graph titled, "Student-Teacher Ratio," showing that Alaska has a teacher to student ratio of 1:16.5 versus the U.S. statistic of 1:15.3, and the ratio to administrators and other non-teaching staff for Alaska is 1:14.2 compared to 1:15.9 for the remainder of the U.S. He directed attention to the graph titled "Ratio of Students to Public School Employees," which indicates a ratio of 1:7.6 for Alaska, which is comparable to the U.S. ratio of 1:7.8. However, turning to the graph titled "Growth in Students and Public School Personnel Alaska, FY 1992 to FY 2009," the student increase is 10 percent with a 23 percent increase in total school personnel. In terms of teachers and administrators it is 11 and 34 percent, respectively. The increase in teachers is on par with the increase in students, but the administrator and other staff increase is 300 percent. He reported that between FY 1992 and FY 2009, Alaska public schools hired administrators and other non-teaching staff at almost 3.5 times the rate of increases in students and teachers. He suggested the question: "What if Alaska had increased non-teaching staff at the same rate as its increase in students?" The answer, he offered would be that Alaska public schools would have saved \$66,600,000 per year in annual recurring savings. The \$66 million per year savings could have provided more than \$12,700 per classroom of 25 students, given every Alaska teacher an \$8,400 raise, reduced state or local taxes, and offered children scholarships to private schools or other options. Alaska is among 21 top heavy states. He said this is an important factor to consider when pondering the effects of school choice on state and local budgets. It's a straightforward measure to design a school choice program that saves the state money. Currently, when children transfer from one public school to another the money follows the child, based on the school funding formula. A means to ensure that money is saved, when introducing private schools, is to make sure that the state funds which follow a transferring child are less than the average state per student allocation. By implementing this strategy, there is no way that the fiscal

effects of school choice can be anything but positive and beneficial to the state, the taxpayers, and the students, he opined. Addressing the question of what happens to the remaining students, when some students leave traditional public schools via a choice program, he said they are not harmed and may benefit academically. A myth exists around this question, he said, including a concern for loss of resources to those who remain in the traditional school system. It is interesting that the argument exists, as teachers still need to be hired, the lights need to be turned on, and a janitor needs to be employed. The concept is that every cost in the traditional schools is fixed; however, the reality does not support this concern. Costs are either fixed or variable, and the federal government categorizes funding into specific areas, which are: capital expenditures, interest, general administration, school administration, operations and maintenance, transportation, other support services, instruction, student support, instructional staff support, enterprise operations, and food service.

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DR. BENJAMIN SCAFIDI, PhD, Associate Professor, Georgia College & State University, President, Education Choice continued the presentation and said that fixed versus variable costs were determined through studies based on data from four school districts in Georgia. These schools lost students for a variety of reasons, excluding school choice. Schools which lost six percent of the student body, cut costs more than commensurately, in the areas of: instruction, student support, instructional staff support, enterprise operations, and food service. Student achievement did not falter, hence, these costs can be considered variable. Funding that follows the child that is less than these variable costs, improves the finances of a school district even in the short-run. He said he completed this study for every state, including Alaska, and then directed attention to a graph titled "Spending Per Student in Fall Enrollment," to point out that Alaska provides nearly \$18,000 per student. Applying the same methodology, he estimated that 61.9 percent of the \$18,000 represents short-run variable costs, or \$11,140. He said the remaining \$6,856 per student are short-run fixed costs, which the state should consider allowing a school to retain when a student exists for reasons of school choice. He pointed out that, in the long-run, all costs are variable. Thus, any school choice program in Alaska where \$11,140 per student or less follows a child to the school of choice improves the fiscal situation of a public school district on average, and students

who remain in public schools would have more resources devoted to their education.

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CHAIR COGHILL said a new perspective has been brought to the committee and further discussion will ensue when the question of a constitutional amendment has been put before the people of Alaska.

[2:59:13 PM](#)

REPRESENTATIVE LEDOUX referred to the Alaska Performance Scholarship (APS) and student loan program, to ask how they square with the constitutional prohibition.

MR. KOMER answered that the programs may operate without challenge, but, he opined, both are definitely constitutionally suspect when held up to the Sheldon Jackson College decision.

CHAIR COGHILL thanked the participants and the gallery.

[3:00:29 PM](#)

ADJOURNMENT

There being no further business before the committees, the joint meeting between the House and Senate Education Standing Committees and the House and Senate Judiciary Standing Committees was adjourned at 3:00 p.m.