

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

February 2, 2015
8:05 a.m.

MEMBERS PRESENT

Representative Wes Keller, Chair
Representative Lora Reinbold, Vice Chair
Representative Liz Vazquez
Representative Harriet Drummond
Representative Jonathan Kreiss-Tomkins
Representative Jim Colver
Representative Paul Seaton

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION:

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

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

POSITION STATEMENT: Assisted in the EED presentation, and responded to questions.

SUSAN MCCAULEY, PhD, Director
Teaching and Learning Support
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: Assisted in the EED presentation, and responded to questions.

PAUL PRUSSING, Deputy Director
Teaching and Learning Support
Department of Education and Early Development (EED)

Juneau, Alaska

POSITION STATEMENT: Responded to questions during the EED presentation.

ACTION NARRATIVE

8:05:49 AM

CHAIR WES KELLER called the House Health and Social Services Standing Committee meeting to order at 8:05 a.m. Present at the call to order were Representatives Seaton, Vazquez, Colver, Reinbold, Kreiss-Tomkins, and Keller. Representative Drummond arrived as the meeting was in progress.

PRESENTATION: ROLE OF THE STATE BOARD OF EDUCATION AND DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT FEDERAL GRANT PROGRAMS AND CORRESPONDING MANDATES

8:07:05 AM

CHAIR KELLER announced that the only order of business today would be a presentation from the Department of Education and Early Childhood Development addressing the role of the State Board of Education and Department of Education and Early Development federal grant programs and corresponding mandates.

8:08:28 AM

CHAIR KELLER, following some housekeeping measures, asked each committee members to introduce themselves and include the district they represent, as well as personal interest in education and to mention any history they may have of working with the committee in past legislatures. [All members took turns complying with Chair Keller's request, save Representative Drummond, who arrived while the meeting was in progress. In order of comment: Representative Seaton, Representative Vazquez, Representative Reinbold, Representative Colver, Representative Kreiss-Tomkins, and Chair Keller finished.]

8:15:43 AM

CHAIR KELLER mentioned the Moore, et al. v. State of Alaska, 3AN-04-9756 CI, (2010), decision as the vehicle which underscored the legislature's role of oversight for public education in the State of Alaska. Federal money has a direct effect on the state system, and it is important to understand these effects when applied to the context of the budget, as well

as the classroom. He recalled that the federal government provides two thirds of the departments funding, as recently reported in an education sub-committee. The budgetary sources are necessary to understand in order to ensure that the legislature's intent, goals, and mission to provide and improve the public education system can be appropriately met, he stressed.

[8:18:28 AM](#)

MIKE HANLEY, Commissioner, Department of Education and Early Development (EED), described the structure of the Alaska Department of Education and Early Development (EED), as unique among state agencies by being subordinate to the governor appointed State Board of Education. He clarified federal receipts account for two thirds of the funding for the agency; however, that does not translate to two thirds of the employee costs, as many of the funds are directed to specific programs. Returning to the uniqueness of the flow chart structure, he pointed out that the commissioner is not the head of the department; a position held by the State Board of Education and Early Development. The board is comprised of seven members, representing the four judicial districts. Three members are appointed at large, with at least one representing a Rural Education Attendance Area (REAA). No more than four of the members can be of the same party as the governor. Board members are appointed by the governor and confirmed by the legislature, and serve at the pleasure of the governor. Directing attention to the committee handout, titled: "House Education Committee, Role of the State Board of Education & Department of Education & Early Development Federal grant Programs and Corresponding Mandates," he indicated the five EED divisions directly overseen by the commissioner's office. Three additional divisions are structured within the department; however, these specific divisions operate with a level of autonomy as council to the department under the oversight of separate boards. These divisions are: the Professional Teaching Practices Commission, charged with ensuring integrity within the teaching profession; the Alaska State Council on the Arts; and the Alaska Commission on Postsecondary Education, which oversees state sponsored student loans and administers the performance scholarship program.

[8:21:35 AM](#)

COMMISSIONER HANLEY spoke specifically on the role of the State Board of Education and Early Development, and identified the

board's six major tasks. One: Appoint the Commissioner of Education, who is then subject to approval by the governor. Two: Promulgate regulations for implementation of statutes. When a bill is signed into law, the commissioner's office works with the State of Alaska Department of Law (DOL) to draft regulations for submission to the board, following the public comment period and review by the legislative regulatory review committee. Three: Approve charter schools and state boarding schools. Four: Compile and deliver an annual report to the legislature. Five: Set graduation requirements. Six: Adopt the bylaws for overall management of EED.

[8:24:32 AM](#)

COMMISSIONER HANLEY indicated that the duties of the Commissioner of Education are established under AS14.07.145. He restated that he is appointed by, and serves at the pleasure of, the State Board of Education, and the governor. The duties of commissioner include: oversight of all EED personnel; establishment of vision and direction for state education, as guided by the state board; representing the governor as a cabinet member; and working with the legislature to promote the governor's priorities and assist with legislative priorities. Expanding on the topic of vision and direction, he said the goal is to ensure that a student not only graduates, but crosses that benchmark threshold prepared for the next stages of life. Statutorily it is stated that the purpose of education is to make sure that our students can be successful in their continued education and work.

[8:26:00 AM](#)

REPRESENTATIVE SEATON inquired whether the three named commissions, which act as council, also promulgate regulations, and, if so, are the regulations also subject to approval by the state board.

COMMISSIONER HANLEY responded that any regulation, which might be proposed by one of the councils, would be forwarded to the commissioner's office and follow the previously stated structural procedures.

[8:26:43 AM](#)

CHAIR KELLER acknowledged that the commission answers to two bosses. Further, as stated, the commissioner establishes the goals and directions for the department. He asked how the

governor influences the short term annual goals and purposes of education, as opposed to the legislature and the state board. Additionally, when the state board reports to the legislature, it seems it will be the year in review, and he asked if an aspect of the report will contain future goals and purposes in the same context.

COMMISSIONER HANLEY responded that the voluntary school board is appointed by the governor. The board in turn hires the commissioner to be the principle executive officer; an individual who is relied upon to move forward with the vision for the department. The appointed board members expect that the commissioner will work closely with the legislature and the governor. However, a level of autonomy is allowed the position of the commissioner, as a fulltime employee. He provided examples of how this is accomplished through the quarterly meetings of the board, as well as occasional teleconferences. Certainly, he assured, direction is sought from the board whenever a questionable situation arises.

CHAIR KELLER asked whether the board and governor meet outside of the quarterly meetings. He also asked the commissioner if, anytime during his tenure, he has witnessed tension between the board and the governor over pending issues or the process.

COMMISSIONER HANLEY said he could not recall any significant tension, although board members have exhibited some amount of wrestling, no direct conflict has occurred between members and the governor. The board meets annually with the governor, and may choose to weigh in on regulatory questions at the quarterly meetings.

CHAIR KELLER inquired how other states handle governance of education. He observed that it appears the governor holds primary sway in Alaska and questioned the amount of authority held by that position.

COMMISSIONER HANLEY responded that the governor's opinion does carry weight, and said it is up to the individual politician how they choose to address and direct EED. Other states have different structures. He estimated that about 50 percent of the states elect a commissioner of education who then heads up the state's educational agency.

[8:35:03 AM](#)

REPRESENTATIVE REINBOLD asked how many are employed at EED.

COMMISSIOENR HANLEY said about 126 employees are required to facilitate the direct, daily functions of the department; however, overall, considering the number of division and department structure components, a total of 360 administrative employees exist. Just under 100 of these are members of the Alaska Commission on Postsecondary Education, 55 are employees staffing the Mount Edgecumbe Boarding School, and a number also work for Libraries, Archives, and Museums.

REPRESENTATIVE REINBOLD followed up to state:

Well, on this slide it says that you set the direction and vision for the department, but not for the entire State of Alaska. Is that correct?

COMMISSIONER HANLEY responded, "That's correct."

[8:36:19 AM](#)

REPRESENTATIVE COLVER inquired how many employees staff postsecondary education.

COMMISSIONER HANLEY approximated 91-92.

REPRESENTATIVE COLVER asked whether postsecondary has seen substantial growth.

COMMISSIONER HANLEY deferred to comment on the growth rate; however, he said although it is a third of the size of the entire department it does not utilize general funds but rather operates under receipts.

REPRESENTATIVE COLVER expressed concern over the number of staff in the commission versus the K-12 program, which represents the second largest budget component in Alaska.

COMMISSIONER HANLEY agreed to provide further information regarding the growth and functions of the commission.

[8:37:48 AM](#)

CHAIR KELLER stressed the importance to have a working comprehension of the statute and regulation requirements, in order to take the best approach for funding education. He said legislators are striving to understand the effect of the money being spent on the education system, as it now exists. The

federal government provides money to the state, however, the funds are attached to goals, which are often dated. How the money effects supervision of education and educational results, requires exploration, he finished.

8:39:33 AM

REPRESENTATIVE SEATON inquired about the vision and direction held by the commissioner position, and whether there is alignment with those of the state board, as well as the governor. He noted that independently established goals could place the agency at odds.

COMMISSIONER HANLEY assured the committee that the goals of the three entities are aligned and operating effectively. The states that have elected commissioners may have not have the same accord. He added that, on a personal level, he considers it important, and effective to work together with the board, governor, and legislature.

REPRESENTATIVE SEATON agreed, and said that a divide of visions would cause a disparity.

8:40:56 AM

REPRESENTATIVE VAZQUEZ asked when he was appointed.

COMMISSIONER HANLEY answered that the State Board of Education put his name forward in 2010, and he was sworn in, by Governor Sean Parnell, in February 2011. Most recently he was reapproved by Governor Walker and will be sworn in later this month.

REPRESENTATIVE VAZQUEZ asked what have been the two top priorities, during his tenure, and how has the department accomplished those goals.

COMMISSIONER HANLEY recalled that he conducted a statewide assessment of the education situation, upon taking office. The findings indicated that a large number of Alaskan high school graduates required remedial classes when entering college; employers were hiring outside of the state due to the lack of qualified in-state workers; and potential armed forces candidates were failing the qualification exam. Given this information, he determined that status quo was not an option. Removal of educational barriers, expansion of learning opportunities, and an increase of the vision for student learning were identified goals. In 2012, a new set of

educational standards were established. During the process, old baggage was reviewed and some items eliminated. The TerraNova® assessment was eliminated, while still retaining a means to maintain important data on fifth and seventh graders. A model for variable boarding school schedules was cultivated. Expanding on that, he explained that boarding school schedules generally require either a one or a four year commitment. The variable model allows for shorter, intensive courses, which are especially beneficial for small, rural schools to provide students a means for gaining instruction that otherwise would not be available. These two actions are good examples of what the department has accomplished to better prepare students, and remove obstacles for enhanced learning.

[8:45:58 AM](#)

REPRESENTATIVE REINBOLD asked what occurs when local school board agendas conflict with departmental directives; does the commissioner's office have the authority to withhold funding in order to constrict local control.

COMMISSIONER HANLEY said that there are sometimes conflicts among educational stakeholders, which the department follows because, if a local school board were in violation of the law, a state level reaction would be required. Withholding funding is an option, but not the approach that the administration he serves would choose to take. Improvement of education could not be served by withholding financial support, he opined, but there is a responsibility to ensure legal compliance. To a follow-up question, he responded that he would not willingly allow the department to operate outside of the law. Oversight of his position, by the governor's office and state board, as well as the legislature, ensures EED's adherence and appropriate interpretation of the statutes.

[8:48:00 AM](#)

REPRESENTATIVE VAZQUEZ inquired about the number of school districts in Alaska.

COMMISSIONER HANLEY reported 53 districts; 54 with the inclusion of Mount Edgecumbe.

REPRESENTATIVE VAZQUEZ requested a list of the districts, including attendance numbers.

CHAIR KELLER offered that the EED website is a good source of basic information and pointed out that it includes the size of each school.

COMMISSIONER HANLEY added that over 100 schools have less than 100 students.

[8:49:03 AM](#)

CHAIR KELLER underscored that the committee will be making budgetary choices and must keep in mind the need to provide appropriate, adequate funding to ensure the best education. He reviewed how, after a law is passed, the regulation for enactment is handled through the department. The legislators are blind to the facet of the process in which the regulations are drafted, reviewed by legal authority and approved by the governor. He observed that the structural, department flowchart does not include the governor.

[8:51:30 AM](#)

REPRESENTATIVE VAZQUEZ asked what the general funds totaled for EED in FY14.

COMMISSIONER HANLEY agreed to provide the information.

REPRESENTATIVE VAZQUEZ asked what efficiencies the department might take given the current fiscal outlook.

COMMISSIONER HANLEY responded that the FY15 agency budget represents a 6.6 percent reduction over FY14; the agency budget has been decreased the last couple of years. Interestingly, he pointed out, the balance that the agency carries represents only about 5 percent of the total budget, which is also supported by federal receipts. Further, 95 percent of the budget is distributed via grants to the local districts, which are relied upon to identify and comply with efficiency requirements. Thus, the department identifies and implements internal efficiency measures and school districts are called on to respond locally. To a follow-up, he opined that, although a third eye can at times be helpful, a view from a distance may not be well informed or be in keeping with the context of a given situation. With that, he declined to conjecture on how districts might affect efficiencies.

REPRESENTATIVE VAZQUEZ asked whether the department is routinely audited, and inquired about federal receipts and distribution of general funds.

COMMISSIONER HANLEY replied that EED undergoes an annual audit. Further, districts have significant flexibility for expenditure of funds, he explained; however, a primary restriction is for 70 percent of the funds to be designated for instruction purposes, which could include teacher salaries and classroom supplies. To a follow-up, he agreed to provide a more complete definition for what is included under "instruction."

[8:56:28 AM](#)

CHAIR KELLER inquired whether anticipated legislation is pending from the governor's office.

COMMISSIONER HANLEY answered that he is not aware of any governor sponsored bills, thus far.

[8:57:18 AM](#)

REPRESENTATIVE REINBOLD asked how many districts hold waivers for the 70 percent requirement.

COMMISSIONER HANLEY, on request of the chair, expanded on the 70 percent restriction, stating that it is in place to ensure that funds are used for learning/instruction items that have a direct impact on the student. He established that waivers are issued to districts with small populations, where meeting the 70 percent requirement is difficult due to the local economy of scale. He estimated that 15-25 districts operate under a waiver to the 70:30 requirement. When a waiver application is received, the EED staff work with the district's financial advisors to review the efforts made towards, as well as to elicit, compliance. Typically, he said, these districts have fixed costs to meet, and, with perhaps only 10-20 students, it is impossible to comply with the rule.

REPRESENTATIVE REINBOLD noted that EED received \$100 million in extra funds for [the FY14-15] school year. In addition, the number of reported positions for FY14 were 333, with a breakout of 300 teachers and 30 EED staff. Today, she recalled, it has been reported that EED counts 360 staff. She inquired why 27 employees needed to be hired and asked if this is a sustainable number.

COMMISSIONER HANLEY offered to scrutinize the numbers, and assured the committee that 30 positions were not added. He agreed to provide the committee with further information.

[9:01:19 AM](#)

REPRESENTATIVE SEATON asked for a separate presentation to consider the pros and cons for maintaining the 70:30 requirement. The practice is an area that represents a dated classroom model and requires further discussion. The chair agreed.

[9:02:54 AM](#)

REPRESENTATIVE VAZQUEZ opined that agency efficiencies have not been specifically stated, and she asked to have consideration be given and that a few ideas be formulated and brought to the committee.

COMMISSIONER HANLEY pointed out that, thus far, EED has cut \$2.8 million from the agency as well as \$32 million from the formula, and asked if efficiencies in addition to the 6.6 percent, previously mentioned, are being sought. The member affirmed that additional efficiencies are expected and Commissioner Hanley said the figures will be forthcoming and agreed to provide further budget considerations.

[9:04:58 AM](#)

CHAIR KELLER suggested that EED may be the most challenged to provide structural, money saving changes, due to the multiplicity of the agency.

[9:05:51 AM](#)

REPRESENTATIVE DRUMMOND asked if the 6.6 percent reduction is reflected in the proposed budget from Governor Walker, or a holdover from the previous administration.

COMMISSIONER HANLEY answered that it is a combination both budgets. What is reflected in Governor Walker's budget is a 5 percent reduction from the work in progress budget, as submitted by Governor Parnell, which represented a 1.6 percent reduction. The combined total is a reduction of 6.6 percent for the next fiscal year.

[9:07:00 AM](#)

CHAIR KELLER pointed out that only 5 percent of the EED budget is directed to administration, which is highly acceptable. The sticking point, he opined, is that two thirds of the budget is derived from federal receipts, and, additionally, the waivers related to NCLB pose a question. The impact of the federal funds, and how that funding intermingles with the state effort is difficult to grasp, he said.

COMMISSIONER HANLEY acknowledged the chair's statement as an appropriate segue to the continuation of the presentation that directly reports on how the federal funds, which are received with specific requirements attached, impact the classroom and represent a complex aspect of the education budget.

[9:08:44 AM](#)

SUSAN MCCAULLY, PhD, Director, Teaching and Learning Support, Department of Education and Early Development (EED) said the law of the land is the Elementary and Secondary Education Act (ESEA), passed in 1965 as part of President Lyndon B. Johnson's "War on Poverty." The ESEA was designed as supplementary funds for elementary and secondary education. Quoting from the act, she said the emphasis is "to provide each child with fair and equal opportunities for academic achievement." Originally, the intent was for the program to be reauthorized every five years; however, the most recent reauthorization was in 2001, dubbed the No Child Left Behind Act (NCLB), and that is the version which continues today. The seven federal programs affiliated with this act are: Title I, Title IIA, Title III, Title IVB, Title VI, Title VIII, and Title XC.

[9:11:35 AM](#)

DR. MCCAULEY explored Title I, Improving the Academic Achievement of the Disadvantaged. She said the purpose of this act is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education. Four programs are affiliated with Title I, which are Title IA, another Title IA, Title IC, and Title ID. She said each program would be presented in a four part outline to include the purpose, eligibility, requirements and amount funded. "Title IA - Improving Basic Programs" is also referred to as the "Basic Title" program. The purpose is to provide financial assistance to local educational agencies and schools with high numbers or high percentages of children from low-income families. Each Title program focuses on reaching a specific population, and

Title IA is directed to low income families. Funding eligibility includes all State Education Agencies (SEAs) and Local Education Agencies (LEAs). She pointed out that SEA refers to EED and LEA relates to each district. The fund is based on a complicated formula that utilizes census data regarding income; however, once the funds are directed to a district, the means in which money is disbursed to schools is based on free and reduced lunch data. If for example, she said, a school has 75 percent or more students, receiving a free or reduced lunch, the district must be served with Title funds. There is no possible discretion that would allow a state agency to not provide Title I funding to such a school. Districts with free and reduced lunches provided to 35 percent or less, of the student population, are able to provide Title I funds, but at the lower threshold, the distribution must be made at a higher proportion. Between the 35 and 75 percent ranges, districts are able to set the threshold and make the best use of the funds by identifying what percentage of their schools will have free and reduced lunch programs, to optimize the Title I benefits. She said:

Even with the strict requirements ... that come with it, districts do have some flexibility for how they provide those funds. What a district and we must do, is develop a plan that identifies strategies to address the needs of low achieving students.

DR. MCCAULEY pointed out that low achieving students, from low income families, are not the population of concern. She stressed that low achieving students are the target and, once identified, that is who will receive benefits regardless of family income. The formula mechanism that generates the amount of funding uses a separate set of criteria to identify who can benefit from the funding. Fund disbursement, at the school level, is to be used for low achieving students. Requirements include a plan that identifies strategies to address the needs of low-achieving students (tutoring, instructional materials, small-group instruction, parent involvement, and professional development for staff). The total funding disbursed to districts under Title IA is 95 percent of the receipts and approximates \$38,150,000.

[9:16:53 AM](#)

DR. MCCAULEY continued with the second category, "Title IA School Improvement Grants (SIG)," which is a specific grant element targeted at LEAs for assistance with school improvement

for the lowest performing schools. Eligibility is the same as the Basic Title with the additional requirement that the district have schools designated as priority, or focus facilities. The requirements are that an intervention model must be implemented. The intervention models that are currently in place include: turn around, transformation, restart as charter, and closure. The federal government has three new programs in draft form that will allow for a state defined model an early learning model, and an evidence based whole school reform approach. When the school applies for the funding, the model being used and the means for implementation must be stipulated. The annual funding is approximately \$1.5 million.

[9:18:34 AM](#)

DR. MCCAULEY moved to "Title IC Education of Migratory Children," focused funding to help students overcome the challenges of mobility: frequent absences, late enrollment, social isolation, and other difficulties associated with a migratory life style. Eligibility are SEAs and LEAs based on the number of students who are identified as migratory. The requirement is for the development of programs and strategies that address the identified needs of migratory children that result from their lifestyle and which will permit these children to participate effectively in school. Programs may include tutoring, summer school, book distributions, credit recovery, educational supplies, and health and safety education. The annual funding is \$6,875,000.

[9:19:49 AM](#)

DR. MCCAULEY said the last of the Title I programs is "Title ID Prevention and Intervention Programs for Children and Youth Who are Neglected, Delinquent, or At-Risk," with the purpose of providing education continuity for students in correctional institutions. The funds are available to districts which have youth correctional facilities within the district boundary. Eligibility is extended to LEAs and is based on the number of students served by an institutional facility. The requirements are for the provision of supplementary education services and transition services to students in correctional institutions and may include counseling support, tutoring, and instructional materials. Currently, she reported, eight districts receive these funds, which total \$250,000.

[9:20:59 AM](#)

DR. MCCAULEY said the next category, "Title IIA Teacher and Principal Training and Recruiting," serves the purpose of increasing student academic achievement through strategies that may include improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals on site. Eligibility includes SEAs and LEAs for these formula-driven funds, which are again based on census data. The requirements are programs and strategies aimed at recruiting, retaining, and training highly qualified teachers and principals. She reported that this is used as the primary funding source, in many districts, for professional development activities of staff. The goal is that these activities will result in an increase of student achievement. Total funds received is \$10,870,000.

[9:22:17 AM](#)

DR. MCCAULEY directed attention to the subcategory "Title IIB Mathematics and Science Partnerships," and said this is a competitive grant program specifically purposed to increase student academic achievement in the areas of mathematics and science. Eligibility are SEAs through formula funds based on the funding received under Title I (census data) and LEAs are eligible to submit application for a competitive grant. She explained that several Title programs begin with the basic component and are then expanded using competitive grant elements. The requirements are that there must be a partnership between an institution of higher education, and a high-need district. The partnership must reflect the purpose of creating opportunities for enhanced and ongoing professional development in the areas of mathematics and science through activities such as summer workshops. The total funding of this grant is \$750,000.

[9:23:37 AM](#)

DR. MCCAULEY turned to "Title III Language Instruction for Limited English Proficient and Immigrant Students," which is purposed to increase English proficiency and academic achievement of limited English proficient children in the core academic subjects. SEAs are eligible for formula-driven funds. The LEAs must have a minimum number of limited English proficient (LEP) students to qualify for funding. The requirements are for schools to provide language instruction educational programs and professional development to teachers, principals, or other staff who work with LEP students. The total amount of funding is \$1.2 million.

[9:24:46 AM](#)

DR. MCCAULEY moved to "Title IVB 21st Century Community Learning Centers," which provides for the establishment or expansion of activities in community learning centers that host academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. Eligibility is for LEAs and non-profit organizations through a competitive grant process, i.e. a local boys and girls club where a school partners with a non-profit to provide off hour, or summer, activities. The requirements are restricted to activities offered before or after school, or summer activities to enhance academic performance. The total funding is \$5.6 million; currently being distributed to 11 different entities in Alaska.

[9:26:13 AM](#)

DR. MCCAULEY directed attention to "Title VI Flexibility and Accountability," funding that is purposed to allow SEAs and LEAs flexibility to target federal funds for existing federal programs that most effectively address the unique needs of states and localities. This category has three subcategories beginning with "Title VIA - Improving Academic Achievement. The purpose of this law is to pay the costs of the development and implementation of state assessments and standards that are required by ESEA. All states are eligible for \$3 million of funding with additional funding prorated based on the census data that drives Title I. These funds require that plans be in place to develop, implement, and disseminate information about state assessments and standards. The annual funding is \$3.5 million.

[9:27:29 AM](#)

DR. MCCAULEY explained that the next two categories are eligible to LEAs; however a district may not receive both. "Title VI B(1) Small, Rural School Achievement Program (SRSA) and Title VI B(2) Rural and Low-Income School Program (RLIS) are programs that are both purposed to address the unique needs of rural school districts that frequently lack the personnel and resources needed to compete effectively for federal competitive grants and those receiving formula grant allocations in amounts too small to be effective in meeting their intended purposes. She said Alaska has nineteen eligible districts, as well as Mt. Edgecumbe. Under Title VI B(1) an LEA is eligible if it meets a

definition of rural, as based on student count and population density. The United States Department of Education provides these funds directly to the LEAs. The requirement is to use these funds, as authorized, in conjunction with funding from other Title programs: Title IA, Title II, Title III, Title IV, and Title V. She explained that the only reason this direct funding appears in the EED budget is that Mt. Edgecumbe qualifies, and the department administers that boarding school program. The total funding is \$20,000. The subcategory that shares the same purpose, Title VIB(2), has eligibility for SEAs which apply on behalf of LEAs with 20 percent or more children, ages 5-17, with family incomes below the poverty line. Only one district qualifies for this fund, namely Lower Kuskokwim. The funding amount is \$88,000.

[9:31:41 AM](#)

DR. MCCAULEY turned to "Title XC Homeless Education (McKinney-Vento Homeless Education Assistance Act of 2001)." The purpose is to ensure that children of homeless individuals, as well as homeless youth, have equal access to the same free, appropriate public education as provided to other children and youths. Eligibility applies to SEAs based on the number of students identified as homeless, and LEAs through a competitive grant process. The requirements are that a district have a homeless liaison/coordinator to assist with identification of homeless students and the provision of services to that defined population. She reported that four districts qualify for this funding, that has an annual receipt of \$170,000.

[9:32:48 AM](#)

DR. MCCAULEY said that ends the Title programs that are affiliated with the SEA. Two other acts bring in funding to specific populations. The first is the "Individuals with Disabilities Act Title VI," also referred to as special education. The purpose is to ensure that all children with disabilities have available to them a free appropriate public education. These funds are eligible to all SEAs based on the average daily membership (ADM) of the LEAs; LEAs are eligible based on the ADM and the number of students living in poverty. The requirements for use of the funds is that districts provide services for the identification and support of students with disabilities, up to age 21, or for students from birth-2 years with developmental delays. Allowable expenditures are for staff, programs, equipment, and instructional supplies. The

annual funding for the general program is \$36 million and for the preschool element of the program \$1.1 million.

DR. MCCAULEY introduced the final federal program, which is the "Carl D. Perkins Vocation and Applied Technology Education Act (VTE)." The purpose here is to develop the academic, vocational, and technical skills of secondary students and postsecondary students who elect to enroll in vocational and technical education programs. Eligibility to SEAs is based on the state's population in certain age groups and per-capita income. The LEAs must have a sufficient number of students to generate a minimum allocation of \$15,000. The requirement is for planned development aimed at strengthening the academic and career/technical skills of CTE students. The funding is \$4.2 million.

[9:35:51 AM](#)

REPRESENTATIVE COLVER returned to Title I to ask whether the funds are primarily used for staffing purposes, and how the department handles the positions dependent on federal funding, if the grant money is not received.

DR. MCCAULEY concurred that the majority of Title funding is used at the district school level to support staff. The department is permitted to retain a percentage for state administration, and typically EED uses this allowance pay for support staff, such as those approving applications for Title I and the monitoring that is required, as well as professional development activities. The funding allows the state to host training conferences to instruct staff from around the state for implementing the required elements of the programs. Additionally, technical support is provided and webinars are supported through this funding.

REPRESENTATIVE COLVER provided a scenario of a district refusing to accept Title I funding. He asked:

[If the district] decided not to accept the federal money, are we still on the hook to follow the federal requirements, at the district level.

COMMISSIONER HANLEY responded that specific programs would need to be considered in that scenario, as legal obligations may be in place. He stressed that obligations exist outside of the federal funding mandates.

[9:38:55 AM](#)

REPRESENTATIVE REINBOLD referred to "Title IA-Improving Basic Programs," and asked how many LEA schools participate.

DR. MCCAULEY answered that all schools qualify for Title I funding and offered to provide a list indicating the specific schools within each district that participate.

REPRESENTATIVE REINBOLD stated her understanding that in several schools it has been reported that the free/reduced lunch option is offered to all students, and requested the list be provided to the committee.

[9:41:24 AM](#)

CHAIR KELLER clarified program eligibility, stating:

The free and reduced lunch is a criteria for whether or not they receive the funds, not the criteria for whether or not they have free and reduced lunch. Is that a correct statement?

DR. MCCAULEY concurred.

CHAIR KELLER pointed out that the EDC state budget spreadsheet carries a nutrition increment, which, given the understanding of how it ties in with the federal funding, could not simply be eliminated, as a \$38.150 million cost saving measure. Additionally, he stated his understanding of how other Title programs, such as science and math, are linked to the same eligibility criteria using the free or reduced lunch data. He asked if his belief is correct: 75 percent of the students, in a given school, would need to qualify for a free or reduced lunch in order to receive the science and math funding.

DR. MCCAULEY reviewed how a school, that has a population of 75 percent of the students qualifying for a free or reduced lunch, must be served with Title I funding. Expanding on that point, she explained:

A district would not be able to say, 'We have two schools and one is 75 percent and one is 76 percent, and we are going to serve the 76 percent, instead of the 75 percent.' As soon as a school reaches a percentage of students that is 75 percent or above, a district must provide, through a formula that

considers how many students there are, they must provide Title I funds to the school. Below that 75 percent the district does have autonomy for where they set the floor. ... If a district decides to serve a school that has lower than 35 percent of its students receiving free and reduced lunch, they have to do that in a way that provides the schools above 35 percent with a higher proportion of the funds, 125 percent of the funds. Basically, the federal government says, between 35 percent and 75 percent, the schools with populations between those percentages of students who qualify for free and reduced lunch, you've some autonomy. You can say we're not going to provide Title funds to a school unless they have 50 percent or more. ... And, if they want to dip down and serve schools with lower than 35 percent, they can do it, but they have to serve the ones above 35 percent at a higher proportion; they have to give them 125 percent of the funding, in terms of the formula. Those percentages ... do not apply to the school improvement grants. ... The basic funding formula is the same in the manner that it considers census data, which is income data, as how funding is generated. ... Those funds have nothing to do with the 75 percent; that's just Title IA.

CHAIR KELLER queried how that translates into actual application for a child to be offered a free lunch; reportedly some children are offered lunches when they are not eligible based on income. He surmised that a district may choose to serve free or reduced lunches to an entire school population, and asked whether that type of action could be tracked to the \$38 million [budgeted nutrition increment].

COMMISSIONER HANLEY answered that it would be more accurate to identify Title I funds as support for students of poverty, qualifying them for free or reduced lunch. In a school of 100 or 500 students, perhaps only two are qualified, but they will receive a free and reduced lunch. How the school districts administer that program to the qualified students, is largely up to the district. A school may choose to supplement the Title I funds to cover additional lunches, beyond the qualifying students.

CHAIR KELLER acknowledged the complexity of the Title funding.

[9:47:47 AM](#)

REPRESENTATIVE VAZQUEZ asked whether a district is able to receive direct federal grants for reduced or free lunch programs.

DR. MCCAULEY allowed that the student nutrition program was not detailed in this presentation, and offered to provide further information.

REPRESENTATIVE VAZQUEZ inquired, if a school district were to decide to provide free lunch for 10 additional schools "no questions asked," do those schools then qualify for Title I.

DR. MCCAULEY deferred.

COMMISSIONER HANLEY reiterated that the qualifying criteria is generated from census data. Whether or not to provide free lunch is not a decision made by a school.

REPRESENTATIVE VAZQUEZ posited that a district, that decides to provide a free, or reduced, lunch program no questions asked, does not automatically receive Title I funds.

COMMISSIONER HANLEY said the funds would not be allocated on an automatic basis. The fact that a school district pays for student lunches has no impact on whether they qualify for federal funding; the school census data is the qualifying factor.

REPRESENTATIVE VAZQUEZ directed attention to page 8 of the committee handout, titled "House Education Committee Role of the State Board of Education & Department of Education & Early Development Federal Grant Programs and Corresponding Mandates" to clarify the eligibility bullet point which reads "funds based on census data and free and reduced lunch data." She asked whether the census data is the overriding criteria for granting a free or reduced lunch program.

COMMISSIONER HANLEY deferred.

[9:51:37 AM](#)

PAUL PRUSSING, Deputy Director, Teaching and Learning Support, Department of Education and Early Development (EED) explained that the census data qualifies the district, and the district uses free and reduced lunch data to determine school

eligibility. He approximated that, of the 500 schools in Alaska, about 250 are Title I recipients.

9:52:30 AM

REPRESENTATIVE COLVER commented that typically a local school board, does not dive into the transportation and nutrition budget, rather it allocates the base student allocation (BSA) and the local contribution. The districts have latitude on how the nutrition, transportation, and federal dollars are then distributed.

9:53:44 AM

REPRESENTATIVE REINBOLD asked for clarity on the number of eligible schools, and further inquired if welfare recipients are accounted for or are they receiving overlapping services.

MR. PRUSSING approximated that 250 out of 506 statewide schools receive Title I funds. Once funds are received at the local level, any identity falls away and the money is directed to benefit students who are academically at risk; poverty is not the identifier.

REPRESENTATIVE REINBOLD reported having telephone contact from the local school to ask if her children would like to have a free lunch. She suggested that there may be disconnect in the system, as her students are ranked high in their class and are not poverty qualified.

9:55:30 AM

REPRESENTATIVE VAZQUEZ tallied the federal funds accounted for in the Title presentation, and noted a total of \$110 million in federal receipts. She asked what EED's budget totals.

COMMISSIONER HANLEY responded that there are other federal receipts; namely Impact Aide, and Child Nutrition Services. The 2015 total budget is approximately \$1.7 billion.

REPRESENTATIVE VAZQUEZ noted that the federal receipts represent a small slice of the pie.

CHAIR KELLER restated that the department's cost for administration requires only 5 percent of the budget; a small increment.

[9:58:01 AM](#)

REPRESENTATIVE DRUMMOND interjected that the \$1.6 billion includes the foundation formula funding, as well as the department's budget. She suggested further presentations to detail how the total EED budget is put together.

COMMISSIONER HANLEY offered that the foundation formula overview is typically presented separately.

[9:59:36 AM](#)

REPRESENTATIVE SEATON returned to page 10, of the committee handout, and asked whether the department reviews the required program plans and strategies for migratory children, or is it handled independently at the local level.

DR. MCCAULEY answered that the plans must be reviewed and approved by EED and includes onsite monitoring, on a five year cycle. The federal government requires the department to maintain oversight.

[10:01:02 AM](#)

REPRESENTATIVE REINBOLD returned to her comment regarding the telephone call she received offering her children free lunch. To her amazement, she was told that there were no financial restrictions and the offer was being made to all students. Additional confusion surrounds the academic challenge aspect of the funding, and she asked for further clarification. An analysis may be order, she suggested, if the state is helping pay for food via welfare, and the federal government is also. Additionally, share tables, or other means for redistribution, could be established in cafeterias, to ensure food is not being wasted, she opined.

[10:02:35 AM](#)

ADJOURNMENT

There being no further business before the House Education Standing Committee, the meeting was adjourned at 10:03 a.m.