

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

March 20, 2015

8:02 a.m.

MEMBERS PRESENT

Representative Wes Keller, Chair
Representative Liz Vazquez, Vice Chair
Representative Jim Colver
Representative Paul Seaton
Representative David Talerico
Representative Harriet Drummond

MEMBERS ABSENT

Representative Jonathan Kreiss-Tomkins

COMMITTEE CALENDAR

HOUSE BILL NO. 102

"An Act providing for funding of educational services for students in residential psychiatric treatment centers."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 102

SHORT TITLE: RESIDENTIAL PSYCH CTR; EDUC. STDRS/FUNDS

SPONSOR(S): EDUCATION

02/11/15	(H)	READ THE FIRST TIME - REFERRALS
02/11/15	(H)	EDC, FIN
03/20/15	(H)	EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

JANET OGAN, Staff
Representative Wes Keller
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As staff for the House Education Standing Committee, sponsor, presented HB 102.

EVELYN ALSUP, Education Director
North Star Behavioral Health System

Anchorage, Alaska

POSITION STATEMENT: Testified in favor of HB 102.

MICHAEL LYONS, Vice President

Specialty Education

Universal Health Services of Delaware

Melbourne, Florida

POSITION STATEMENT: Asked the committee to support HB 102.

DAVID NEES

Anchorage, Alaska

POSITION STATEMENT: Provided comments during discussion of HB 102.

MARK FOSTER, Chief Financial Officer

Anchorage School District (ASD)

Anchorage, Alaska

POSITION STATEMENT: Provided comments during discussion of HB 102.

LINDA CARLSON, Assistant Superintendent

Instructional Support

Anchorage School District (ASD)

Anchorage, Alaska

POSITION STATEMENT: Provided comments during discussion of HB 102.

LUCILE HOPE, Director

Student Support Services

Matanuska-Susitna Borough School District (MSBSD)

Palmer, Alaska

POSITION STATEMENT: Testified in opposition to HB 102.

DENIS McCARVILLE, President and CEO

AK Child & Family

Anchorage, Alaska

POSITION STATEMENT: Testified in support of CSHB 102.

WALTER MAJOROS, Executive Director

Juneau Youth Services, Inc.

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 102, but asked the committee to consider changing the bill's proposed definition of "residential psychiatric treatment center".

J. KATE BURKHART, Executive Director

Alaska Mental Health Board

Division of Behavioral Health (DBH)
Department of Health and Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Provided comments during discussion of
HB 102.

JEFF JESSEE, Chief Executive Officer
Alaska Mental Health Trust Authority (AMHTA)
Department of Revenue (DOR)
Anchorage, Alaska

POSITION STATEMENT: Provided comments during discussion of
HB 102.

ACTION NARRATIVE

[8:02:34 AM](#)

CHAIR WES KELLER called the House Education Standing Committee meeting to order at 8:02 a.m. Representatives Keller, Seaton, Vazquez, Colver, and Talerico were present at the call to order. Representative Drummond arrived as the meeting was in progress.

HB 102-RESIDENTIAL PSYCH CTR; EDUC. STDRS/FUNDS

[8:03:01 AM](#)

CHAIR KELLER announced that the only order of business would be HOUSE BILL NO. 102, "An Act providing for funding of educational services for students in residential psychiatric treatment centers."

[8:04:04 AM](#)

REPRESENTATIVE VAZQUEZ moved to adopt the proposed committee substitute (CS) for HB 102, Version 29-LS0519\W, Glover, 3/16/15, as the working document. There being no objection, Version W was before the committee.

[8:04:49 AM](#)

REPRESENTATIVE TALERICO moved to adopt Conceptual Amendment 1, which read [original punctuation provided]:

ON PAGE 2 at end of LINE 25 ADD THE FOLLOWING:

;and

(11) the center shall work collaboratively with the school district where the student is enrolled to coordinate an individual course of study that allows the student to successfully transition back to the school district were [sic] the student is enrolled.

There being no objection, Conceptual Amendment 1 was adopted.

8:05:36 AM

JANET OGAN, Staff, Representative Wes Keller, Alaska State Legislature, on behalf of the House Education Standing Committee, sponsor, offered her understanding that HB 102 would address a gap in the way educational services are provided to children admitted to residential psychiatric treatment centers. Currently, the local school district where the residential psychiatric treatment center is located is responsible for providing the educational services to such children. However, the education being provided in such facilities falls short of what school districts are providing in school, oftentimes resulting in such children failing to receive the courses necessary to maintain a particular grade level, and this is especially true for children [with special needs] who require individualized education plans. The result of this has been that children admitted to residential psychiatric treatment centers fall behind in their education and have to repeat grades when they return to their own school district, thereby compounding their emotional and behavioral challenges, and increasing costs to their school district. Because most of the children admitted to residential psychiatric treatment centers have their treatment paid for by the state, it is in the state's best interest to ensure that such children really are receiving the necessary educational services.

MS. OGAN said that under HB 102, it would be the school districts where such children are from that shall pay for the educational services being provided at the residential psychiatric treatment centers, and the amounts paid shall be prorated based upon the number of days such children receive educational services at those centers. The goal of the bill, she proffered, is to allow children [admitted to residential psychiatric treatment centers] to fulfill their potential.

CHAIR KELLER indicated that the changes to Alaska statute currently being proposed by HB 102 were requested by Evelyn Alsup [of North Star Behavioral Health System,] and Michael Lyons [of Universal Health Services of Delaware].

8:09:07 AM

REPRESENTATIVE SEATON questioned whether it should be clarified via conceptual amendment that the "valid teacher certificate" and the "valid administrative certificate" referred to in the funding stipulations on page 2, lines 6 and 9, respectively, mean those issued by the State of Alaska, perhaps by adding, for example, the word, "Alaska" after the word, "valid" on those two lines and elsewhere in the bill as deemed appropriate by Legislative Legal and Research Services.

MS. OGAN offered her belief that there would be no objection to such an amendment.

8:11:18 AM

EVELYN ALSUP, Education Director, North Star Behavioral Health System, offered her [incorrect] understanding that that issue has already been clarified in Version W as amended. She then relayed that she would be speaking in favor of HB 102. Sharing her understanding of what currently happens with regard to enrollment and funding when a child is admitted to a residential psychiatric treatment center, she expressed the belief that passage of HB 102, with its proposal to have the educational funding routed through the children's own school districts to companies such as hers, would result in the children receiving a better education than they currently do. She indicated that the existing problem results from the fact that the various school districts in Alaska have different graduation requirements and thus their curriculums don't align. Passage of the bill, she asserted, would result in residential psychiatric treatment centers providing curriculums specific to the school districts from which the children come, thereby resulting in the children being successful when they return to those school districts.

8:17:41 AM

MICHAEL LYONS, Vice President, Specialty Education, Universal Health Services of Delaware, noting that Universal Health Services of Delaware is the parent company of North Star Behavioral Health System, asked the committee to support HB 102. He opined that when children with mental illness are receiving treatment, they should also be receiving what he called "comparable and equitable educational services and funding," and asserted that HB 102 would give companies such as his the option of providing such educational services because they would be

receiving the funds to do so from the school districts the children come from. He also asserted that this approach would be much fairer to the school districts the children come from because the funding for those children's educational services would flow through those school districts. In conclusion, he expressed appreciation for the committee's work on and support for HB 102.

CHAIR KELLER, noting that the bill addresses the issue of funding, relayed that the committee's interest is in providing, on an equitable basis, the best service possible to all of Alaska's children.

MR. LYONS, in response to questions, expressed interest in ensuring that children receiving treatment at residential psychiatric treatment centers are also being kept on track with regard to their education, opining that this would produce the best outcome in terms of those children being able to reintegrate once they return home.

MS. ALSUP added her belief that HB 102 would assist companies such as hers with integrating the necessary educational services with treatment. In response to further questions, she offered her understanding of some of the educational services currently being provided to children admitted to her company's facilities, and shared her belief that passage of HB 102 would allow companies such as hers to hire their own teachers rather than using personnel provided by the school districts where the facilities are located.

[8:44:26 AM](#)

REPRESENTATIVE SEATON pointed out that the bill itself doesn't address that issue. He then questioned the practicality of requiring that different curriculums for the same grades be taught in order that each child admitted to a residential psychiatric treatment center may meet the specific graduation requirements of his/her own school district.

MR. LYONS indicated that that wouldn't pose a problem because it's the approach that's been taken in other states where his company has facilities; it would just require that residential psychiatric treatment centers obtain the necessary information from the school districts where the children are from. In response to a question about the funding stipulation on page 2, lines 11-12, of Version W as amended that says in part, "the center administers student assessments required by the

department", he indicated that his company would want to administer to the children in its facilities any student assessment required by either the Department of Education and Early Development (EED) or the individual school districts.

MS. ALSUP concurred, adding that her company would communicate with the children's individual school districts to determine which particular assessments were required.

REPRESENTATIVE SEATON referred to the funding formula located on page 2, line 26, though page 3, line 6, and questioned what amounts and costs it included.

[8:50:04 AM](#)

MS. ALSUP shared her belief that the intent behind using that funding formula was to align the funding for educational services provided at residential psychiatric treatment centers with the funding for educational services provided at charter schools. In response to further questions, she clarified that currently the school districts where residential psychiatric treatment centers are located actually provide the educational services to the children admitted to such facilities, and retain the funding for providing such services.

REPRESENTATIVE VAZQUEZ questioned what statute or regulation stipulates that.

MR. LYONS spoke instead about a child's right to receive a free public education.

REPRESENTATIVE COLVER surmised that HB 102 would allow prorated funding for educational services to go to the residential psychiatric treatment centers.

MR. LYONS concurred.

CHAIR KELLER observed that the bill currently has a zero fiscal note.

MS. ALSUP, in response to questions regarding the children admitted to her company's facilities, indicated that the specific population percentages fluctuate.

[9:00:30 AM](#)

MR. LYONS, in response to further questions, offered his assurance that if the bill passes, his company would work with the school districts where the children are from in order to determine what specific educational services his company must provide, and his company would then regularly provide information about the children's educational progress to those school districts; throughout, the children would remain enrolled in their own school districts. This is what occurs in other states where his company has facilities.

MS. ALSUP, in response to further questions, clarified that currently, residential psychiatric treatment centers do not receive any funds for providing educational services nor do they provide any such services; instead, the school districts where the residential psychiatric treatment centers are located send personnel to those facilities to provide the necessary educational services, including any individualized educational plans for children [with special needs]. Education counselors, however, are not sent by the school districts, and her company does not make provision for them in its facilities. She shared some population statistics related to some of her company's facilities, and pointed out that currently, when a child is admitted to a residential psychiatric treatment center, he/she becomes enrolled in the school district where the facility is located. She offered to bring the committee information about which school districts the children in her company's facilities have come from.

[9:12:48 AM](#)

DAVID NEES, mentioning that he was a teacher for 28 years, said he'd had numerous students that had to [be admitted to a residential psychiatric treatment center,] but at the time, because of [federal] confidentiality requirements, he was never informed about why those children were no longer in his classroom. Instead, at some point, generally after about 10 days, what he called a "visiting teacher" would contact him to obtain the absent child's educational material. House Bill 102 does not yet address the issue of such confidentiality requirements, but it should, particularly given that it's essentially proposing to provide public funds to private institutions that they may in turn provide public education services. In conclusion, he suggested that perhaps one solution would be to "license" residential psychiatric treatment centers as charter schools, and characterized HB 102 as a very good bill.

9:16:31 AM

MARK FOSTER, Chief Financial Officer, Anchorage School District (ASD), said that because the funding for educational services follows the students during what he called the "count" period, but not during the rest of the year, the ASD must frequently use [funding] reserves to absorb Alaska's different enrollment patterns and meet the needs of students. The belief held at the ASD, he relayed, is that Alaska's current charter school system distributes [educational] funds in a reasonable manner, and thus the ASD encourages the committee to consider using that funding model for distributing funds for educational services to residential psychiatric treatment centers. In response to comments and questions, he shared his understanding of how the charter school funding model currently works, and again relayed that the belief held at the ASD is that for purposes of distributing funds for educational services to residential psychiatric treatment centers, the charter school funding model deserves further exploration, though the issue of what he called "the geographic differential" might still need to be addressed.

MR. FOSTER, in response to further comments and questions, relayed that should HB 102 as currently written pass, it is estimated that for the ASD's current enrollment figures, for example, approximately \$1 million in funds - used primarily though not exclusively for salaries and associated benefits - would be shifted from the ASD to [residential psychiatric treatment centers in their proposed new role as] providers of educational services; it is also believed that there is a risk that that amount will increase. Under the bill as currently written, the ASD would no longer have the funds to support the personnel it's currently sending to provide educational services to children admitted to residential psychiatric treatment centers.

9:31:53 AM

LINDA CARLSON, Assistant Superintendent, Instructional Support, Anchorage School District (ASD), outlining what the ASD currently provides in terms of educational services and certified teaching personnel to the various residential psychiatric treatment centers located within the district, indicated that the children admitted to those residential psychiatric treatment centers are already receiving everything they need to succeed once they return home, because the ASD is already providing direct individualized instruction and education counseling, and collaborating with the school

districts those children come from in terms of the children's educational progress and needs and those districts' specific curriculum requirements. She mentioned that the ASD has provided the committee with a letter outlining this information, characterized the ASD's existing program for children admitted to residential psychiatric treatment centers as very effective and consistent, and indicated that there are still opportunities for improving communication and collaboration and for customizing curriculums.

9:43:02 AM

LUCILE HOPE, Director, Student Support Services, Matanuska-Susitna Borough School District (MSBSD), mentioning that she doesn't yet have a copy of Version W as amended, relayed that she would be speaking against HB 102. She outlined what the MSBSD has been providing to the residential psychiatric treatment center located in Palmer in terms of educational services, certified teaching personnel, curriculum materials, and computer equipment; described how the MSBSD's arrangements with that facility came to be, and what some of the ingoing collaboration/communication with that facility involve; and offered her belief that the MSBSD has been working closely and effectively with that residential psychiatric treatment center and its staff to ensure that the children make a successful transition when they return to their own school districts. On the issue of confidentiality requirements, she pointed out that as part of Alaska's public-school system, the MSBSD - unlike a residential psychiatric treatment center - already has the ability to communicate freely with other school districts to determine what a child's specific educational needs are and what his/her home district's specific curriculum requirements are.

MS. HOPE, on the issue of education funding, pointed out that currently there is no mechanism in place to transfer average daily membership (ADM) funds to private facilities such as residential psychiatric treatment centers, and thus passage of HB 102 would require the development of a new accounting process, which would cost Alaska's school districts both time and money - resources that are not readily available at this time or this year. On the issue of children [with special needs] who require individualized education plans and who've been admitted to a residential psychiatric treatment center, although the bill stipulates that funding for providing educational services shall go to the residential psychiatric treatment centers, under the federal Individuals with Disabilities Education Act (IDEA), it's the school district

where a particular facility is located that's responsible for actually providing the educational services. She said she doesn't believe that Alaska's school districts can abdicate that responsibility to a private entity without a specific recommendation from each child's "IEP team." She also observed the lack of provision in [the original version of] HB 102 for certified special education teachers.

MS. HOPE, in conclusion, suggested that rather than passing a bill that would cost school district's money but not guarantee quality educational services, that residential psychiatric treatment centers instead work closely with school districts to achieve the same outcomes they are hoping to achieve via HB 102.

[9:49:37 AM](#)

DENIS McCARVILLE, President and CEO, AK Child & Family, indicating that his company has residential psychiatric treatment centers in the ASD, relayed that he is in support of HB 102, characterizing it as important mental health and education legislation. The goal of the bill, he proffered, is to ensure that children admitted to residential psychiatric treatment centers are provided educational services that are equitable and comparable to that provided to children in a school setting. He asserted that that's not currently happening and thus children admitted to residential psychiatric treatment centers such as his tend to fall behind academically, and indicated a belief that this problem would be remedied if companies such as his were allowed to hire their own teachers rather than using personnel provided by the school districts.

[9:53:26 AM](#)

WALTER MAJOROS, Executive Director, Juneau Youth Services, Inc., noting that he's submitted written testimony, indicated that his company has residential psychiatric treatment centers in [the Juneau School District,] and that he would be speaking in support of HB 102. Referring to the testimony provided earlier, he said it sounds as though the current system is working well in some communities but not in others. He indicated that he supports HB 102 because it would provide companies such as his with the option of receiving funding to [hire their own teachers rather than use personnel provided by the school district]. Mentioning, however, that his company's facilities don't currently qualify for such funding under the bill's proposed definition of "residential psychiatric treatment center", he asked the committee to consider changing that definition.

9:55:44 AM

J. KATE BURKHART, Executive Director, Alaska Mental Health Board, Division of Behavioral Health (DBH), Department of Health and Social Services (DHSS), mentioning that the Alaska Mental Health Board had many of the same concerns and questions that were raised about the original version of HB 102, said that the Alaska Mental Health Board thinks that under Version W as amended, there is a balancing of the concerns related to funding and treatment outcomes. She added:

We would never want to prejudice the services that our constituents in their home school district receive, for the benefit of students that have to receive residential psychiatric treatment, and we think that the legislative intent behind this bill and the language in the bill does allow for the funding to follow the student in a way that is not possible now, and without necessarily prejudicing those students back in the home district.

MS. BURKHART offered her belief that because the curriculums in Alaska's various school districts don't align and the children being admitted from outside Fairbanks, Anchorage, and Juneau to residential psychiatric treatment centers aren't being provided the specific courses required by their own school districts to maintain a particular grade level, that passage of the bill would result in improved treatment outcomes for such children.

9:58:01 AM

JEFF JESSEE, Chief Executive Officer, Alaska Mental Health Trust Authority (AMHTA), Department of Revenue (DOR), said that based upon his past experience working as senior attorney for the Disability Law Center of Alaska, and his current experience working for the AMHTA, he thinks HB 102 has a lot of very positive potential, that it will materially assist residential psychiatric treatment centers with the integration of educational programming and treatment programming, and that it will enhance "engagement" between such facilities and Alaska's various school districts. In conclusion, he indicated favor with the concept of having the funding for educational services follow the child.

CHAIR KELLER announced that HB 102 [Version W as amended] would be held over.

10:00:20 AM

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 10:00 a.m.